

# The NATIONAL UNDERWRITER

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## NAIC Winds Up Annual In A Bustle Of Reports

**Gerber Goes In Line,  
Parker Of Virginia  
Becomes President**

Not much more than routine action occurred to cause concern to life insurance men attending the annual meeting of National Assn. of Insurance Commissioners last week in Philadelphia. However, there was something going on several of the life fronts—A&S, group, and fraternal in particular. As in the past few years, most activity took place on the fire-casualty side. Joseph S. Gerber of Illinois, who heads the subcommittee that for 18 months has been studying fire and casualty rate regulation, was, as expected, elected chairman of the NAIC executive committee, thus going into line for the presidency two years hence. Rufus D. Hayes of Louisiana moved up from executive committee chairman to vice-president, and T. Nelson Parker of Virginia advanced to the presidency, succeeding Sam N. Beery of Colorado. Frequently there is a contest for election to the executive committee chairmanship, but Mr. Gerber this year had the arena all to himself.

### Combs New Secretary-Treasurer

The new secretary-treasurer is Harvey G. Combs of Arkansas. He replaces Alfred Premo of Connecticut, who served two terms.

Most of the agenda is being carried along to the winter meeting at Dallas. One thing was accomplished that will affect all companies—the adoption of the interrogatory in the annual statement blank on conflict of interest. This was reported last week. By taking action in June and getting word to the companies promptly, it is anticipated that all parties will be on notice and have an answer ready when the statements are filed.

There was a large attendance, about  
(CONTINUED ON PAGE 17)

## N. Y. Ponders Future Conn. General Move

The New York department and the state attorney general are reportedly planning no further action at this time on the Connecticut General decision by the New York court of appeals, the state's highest tribunal. The attorney general's office indicated that it has from 30 to 60 days to decide what final legal steps to take. The office said it would use the full time limit before deciding whether to seek a reargument. A department spokesman said that no applications or inquiries have been received to date from out-of-state life companies.

State Supreme Court Judge Spector has signed a new order directing Superintendent Thacher to sanction investments by life companies in the fire and casualty business.

## Commissioners Endorse But Don't Adopt Replacement Resolution IAHU Concerned But Not Downcast Over Federal A&S Threat

NAIC backing of an anti-replacement resolution as a basis of conducting an advertising campaign against this activity was sought and received by Bruce Shepherd, executive vice-president LIA, at the commissioners' meeting last week in Philadelphia. Mr. Shepherd, appearing before the life committee, said the public needs more information on the dangers of replacement, and one good foundation for a publicity program would be an NAIC resolution.

Twisting and replacement is a periodic issue in the life business, Mr. Shepherd said. It is in an acute stage today. Anti-twisting statutes appear not to be effective enough; those laws need strengthening. But more immediately, while any legislation is pending, getting word to policyholders is important.

The resolution submitted by Mr. Shepherd was endorsed in principle by NAIC, but the commissioners didn't adopt it, preferring to give more study to the language. It states:

"Whereas replacement of existing policies of permanent life insurance by new policies of life insurance has become more widespread and has been occurring with increasing frequency, and

"Whereas, in most cases such replacement is to the disadvantage of the policyholder, and

"Whereas it is in the public interest that policyholders generally should be

made aware of this fact:

"Therefore be it resolved that the following statement should be publicly issued by the National Assn. of Insurance Commissioners.

"It is rarely to the best interest of a policyholder to surrender or lapse an existing policy of permanent life insurance and replace it with new life insurance. Among the reasons why such action may be detrimental to the policyholder are the following:

"1. Since selling and other initial costs are charged against the premiums paid in the earlier policy years, the replacement of an old policy by a new one means that the policyholder must pay these costs twice.

"2. The attractiveness of a life insurance policy as an investment increases as the policy grows older

"3. In many existing policies, disability benefits and provisions for installment payments and annuity incomes are more attractive both to the beneficiary and to the policy owner than those available in new policies

"4. The new policy may have the effect of reinstating the period during  
(CONTINUED ON PAGE 10)

## Insurer Sues Ford, Alleging Trade Curb In Credit Life Sale

MIAMI—American Bankers Life of Miami has brought suit for \$150,000 in federal court against the Ford Motor Co., Ford Motor Credit Corp., a wholly owned subsidiary, and Nationwide, charging the defendants with "restraining trade and commerce and limiting competition," both of which are illegal under the Sherman and Clayton anti-trust acts.

American Bankers alleges that since January, 1960, Ford has exercised coercive powers over its retail distributors, and required the distributors to sell only credit life insurance policies issued by Nationwide in transactions financed by Ford Motor Credit Corp.

American Bankers Life contends that its business with local Ford distributors "has been seriously impaired, injured and damaged," and that this has resulted in the "loss of valuable agency relationships, premiums and profits."

## Optimistic About Fending Off Administration Plan Of OASDI Care For Aged

By WILLIAM B. BORGEL  
Editor Accident & Sickness Review

NEW YORK—Concern over the administration's effort to add medical care for the aged to social security was evident at the annual convention of International Assn. of Health Underwriters here but it was outweighed by a conviction that the fight can be won by vigorous and determined opposition.

Theme of the convention was "meeting the challenges of the decade

### OFFICERS ELECTED

Chairman—F. Kenneth Stoakes, Loyal Protective Life, Los Angeles.

President—Paul M. Klein, Mid-American, Kansas City.

President-elect—John J. Symanitz, Inter-State Assurance, Minneapolis.

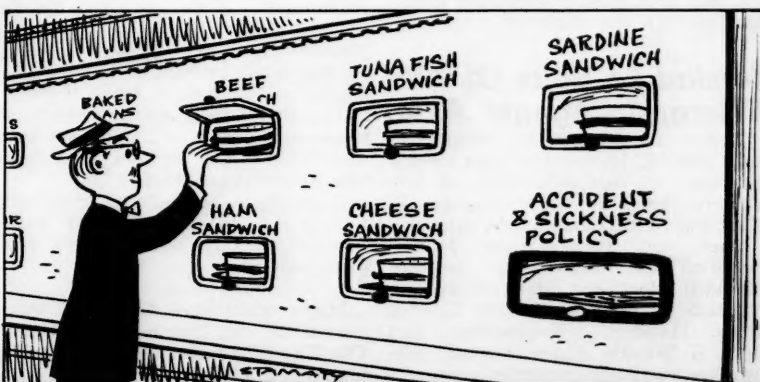
Vice-Presidents—Milton L. Rose, Paul Revere Life, Los Angeles, and John M. Forrest, Mutual of Omaha, Akron, O.

Controller—Jay DeYoung of the agency bearing his name, Oak Park, Ill. (re-elected).

ahead," and the first two speakers, Keynote V. J. Skutt, chairman and president of Mutual of Omaha, and Louis C. Morrell, executive vice-president of Continental Casualty, not only described the challenges but suggested the new opportunities opened.

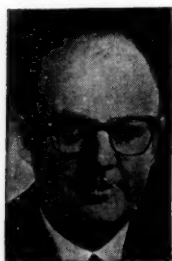
Mr. Morrell, addressing the first session, which was a get-acquainted breakfast sponsored by his company, reviewed the accomplishments of the past 10 years to give a perspective on what the next 10 might bring. Group, for example, grew greatly in the 1950s. Major medical, now covering some 27 million persons, should be nearly universal in the U. S. in another five or six years, while individual business has had a spectacular growth. Completing the picture, he said, has been the development of coverage for impaired risks at premiums related to the per-

(CONTINUED ON PAGE 10)



## Calls Future Pay-Checks Best Inflation Hedge—If Insured

The most important inflation hedge for most people is not stocks, commodities or real estate but one's future pay-checks,



R. Edwin Wood

told the San Francisco Planning Council.

However, their value as an inflationary hedge is greatly impaired unless they are insured, because they are vulnerable to loss by death or disability.

Mr. Wood emphasized that the importance of future pay-checks as an inflation hedge is vastly greater than any other hedge because of its size as compared with probable accumulations in stocks or real estate, for example. A man who is earning \$10,000 a year today and has 25 years to retirement will earn a quarter-million dollars if his income stays the same. At

\$20,000 a year he will earn a half million dollars and at \$30,000 he will earn three-quarters of a million. Hence his future earning power is probably his biggest asset.

If it is assumed that the future value of the dollar between now and the man's retirement age will decrease 50% in purchasing power, he can expect that his future pay-checks would increase in number of dollars to offset the decreased value of each dollar. This increase in pay would not be a sudden thing but rather would progress gradually over a period of years.

Accordingly, if it is assumed that there will be an eventual 50-cent dollar on the basis of today's values, it would be reasonable to assume that the current earner of \$10,000 over the next 25 years will be more likely to collect \$400,000 than the \$250,000 which he would collect on today's value of dollars. In the \$30,000 bracket this same ratio would mean an added half-million in earnings in the next 25 years

(CONTINUED ON PAGE 16)

## Tyson Is President, Adam New Chairman Of Penn Mutual

Charles R. Tyson has been named president and chief executive officer of Penn Mutual Life. He succeeds Malcolm Adam, who becomes chairman.

Mr. Tyson has been executive vice-president of Penn Mutual since 1959. He continues as trustee, a position he has held since 1949.

Mr. Adam was elected president of Penn Mutual in 1949. He recently celebrated his 50th anniversary with the company. During Mr. Adam's term as president, Penn Mutual's ordinary in force increased from \$2.7 billion to \$5.3 billion and annual sales increased from \$233 million to \$702 million.

## R. H. Hebel Appointed Assistant Editor Of DLB Agent's Service

CINCINNATI—Richard H. Hebel has been appointed assistant editor of the Diamond Life Bulletin Agent's Service, published by the National Underwriter Co.

Mr. Hebel entered the life insurance business with Prudential in Jacksonville, Fla., in 1955. After 2½ years as a successful personal producer, he joined Indianapolis Life as agency department supervisor. Most recently he has been director of field services at Fidelity Life Association of Fulton, Ill.

A graduate of DePauw University with a B.A. in economics, Mr. Hebel has passed three of the five CLU examinations.

May production of \$18,758,307 was a record for that month by the Kansas City Life field force. The previous May high was \$18,282,770.



Richard H. Hebel

## New Mutual Fund Will Have Life Insurers As Market

Investment Policies is being organized at Minneapolis to provide mutual fund programs for established life insurers to distribute through their own sales organizations. A small group of Twin Cities business men headed by Arnold J. Ryden, Minneapolis executive, is providing the organizing capital.

Douglas F. Thornsjo, who has been with Investors Diversified Services, will be president of the company. Stock will not be sold to the public at the present time, and the company plans to make available a majority of stock to life companies which adopt its mutual fund program.

Investment Policies plans to acquire one or more existing mutual funds to provide the variable dollar service for insurance companies, Mr. Thornsjo said. The company will set up a training program for agents of life companies that sign contracts with Investment Policies. The agents will be licensed as representatives of a broker-dealer.

"In five years we hope to have 10,000 life agents selling our mutual funds," Mr. Thornsjo said. Fund packages sold to insurers will be tailored to their needs, he explained, and may or may not include contractual plans.

## General Motors Lending Affiliate Scored For Insurance Operations

General Motors Acceptance Corp., the financing affiliate of the automobile manufacturer, was criticized for its insurance operations by Chairman Celler of the House anti-trust subcommittee which has been holding hearings in Washington to consider legislation that would require car manufacturers to divest their financing and insurance subsidiaries.

During questioning of Charles G. Stradella, GMAC chairman, he revealed that the GM affiliate has received experience refunds on its group credit life and A&S coverage of \$21,144,000 since 1942. The coverage, which is written by Prudential, had a total premium volume during the period of \$137,162,000, Mr. Stradella declared.

Chairman Celler called the refund a profit of some 15% on the premiums paid by car buyers to GMAC.

### Not All Profit

Mr. Stradella, on the other hand, pointed out that the refunds do not represent all profit because GMAC incurs many hidden expenses in the writing of the policy, delivering certificates and settling of claims.

He noted that the coverages are optional and not required by the GMAC time sales contract and that the premiums charged car buyers are the same as GMAC pays Prudential. Over the years, as experience has improved, premium rates have been reduced on credit life plans from 75 cents a year for \$100 of coverage to 37½ cents per \$100 for a one-year contract and 35½ cents per \$100 on a three-year contract, he said.

Mr. Stradella reported that the group credit life refund in 1960 was \$974,000 on a total premium volume of \$18,743,175.

New business of Homesteaders Life of Des Moines during May increased 6.5%. The gain for the first five months was 46.5%.

## R. R. Neal Is Named A&S Man Of Year; 9 Others Honored

Robert R. Neal, general manager of Health Insurance Assn., received the 1961 Harold R. Gordon memorial award at the concluding banquet of the International Assn. of Health Underwriters annual meeting in New York this week.

He is the 15th individual to be named "Health Insurance Man of the Year." The award is for service to the industry during the past year and for sustained and meritorious service over a period of time. It is sponsored by Chicago A&H Assn. and presented by IAHU.

Mr. Neal was vice-president and counsel of North American Accident (now North American Co. for Life Health & Accident) when he was elected president of the old Health Insurance Underwriters Conference in 1952. He was appointed resident counsel at Washington for the conference and for Bureau of Accident & Health Underwriters in 1955. These two organizations went out of existence in 1956 and in their place Health Insurance Assn. was formed. Mr. Neal was named to the top executive staff position and continued to represent the industry from his Washington office.

The award is named for the late Harold Gordon, a pioneer in the health insurance trade association movement who served as managing director of the H&A Underwriters Conference.

### Earlier Recipients

Earlier recipients of the award are Edward H. O'Connor, Insurance Economics Society; V. J. Skutt, Mutual of Omaha; William E. Leebby, Los Angeles general agent; the late Bert A. Hedges, Wichita general agent; the late John Galloway, Birmingham general agent; E. H. Mueller, Milwaukee general agent; E. J. Faulkner, Woodmen Accident & Life; James E. Powell, Provident Life & Accident; Leonard A. McKinnon, Flint general agent; Carl A.

(CONTINUED ON PAGE 21)

## Bryden Is Elected President Of CLIOA

John T. Bryden, vice-president and general manager North American Life, of Canada has been elected president of Canadian Life Insurance Officers Assn., succeeding D. E. Kilgour, president Great-West Life.



John T. Bryden

Other new officers are E. A. Rieder, president Mutual Life of Canada, 1st vice-president; B. T. Holmes, vice-president; and chief actuary Confederation Life, 2nd vice-president; and H. L. Sharpe, president and managing director Northern Life, honorary treasurer.

K. G. McNab, vice-president and chief agency officer Manufacturers Life, is the new chairman of the life agency officers section, with J. S. Brown, agencies superintendent Metropolitan Life, as vice-chairman.

John A. Morrow, advertising supervisor Canada Life, is chairman of the life insurance advertisers section, and A. A. Yeates, public relations and advertising director Prudential of America, and A. R. Hasley, executive assistant Sun Life, vice-chairmen.

## Jerstad To Helm Of Wisconsin Agents' Assn.

LeRoy H. Jerstad Jr., Massachusetts Mutual, Racine, has been elected president of Wisconsin Assn. of Life Underwriters. He succeeds John C. Zimdars, New England Life, Madison.

Paul von Paumgarten, Mutual Benefit Life, Milwaukee, becomes president-elect, and other officers are William C. Goebel, Central Life of Iowa, Madison, vice-president, and John H. Woodin, Acacia Mutual, Milwaukee, secretary-treasurer.

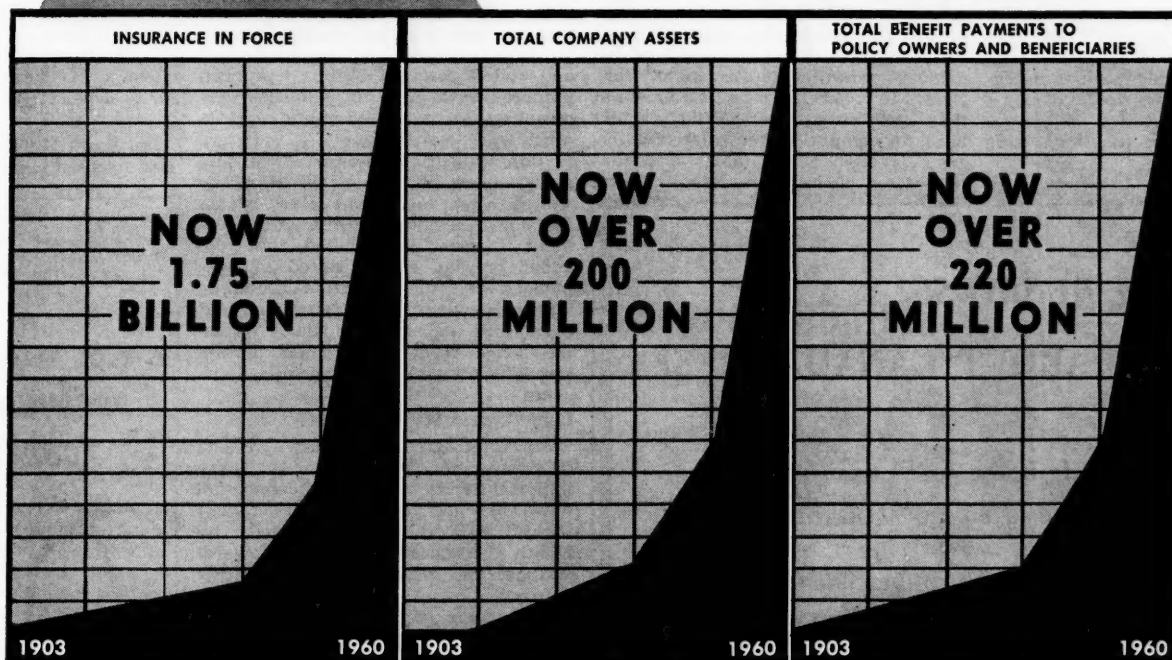


John D. MacArthur, president Bankers Life & Casualty, right, is one of 10 prominent Americans to receive this year's Horatio Alger award. Sponsored by American Schools & Colleges Assn., the presentation was made in New York by Brig. Gen. David S. Moff. Mr. MacArthur acquired the most bankrupt Bankers L&C, \$2,500 borrowed cash. Today, the company and its 12 subsidiaries have assets in excess of \$200 million. MacArthur is now primarily involved in developing Florida properties, including his newly incorporated city Palm Beach Gardens.



# PEAKS OF PROGRESS

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## Pilot Life Insurance Company

LIFE • GROUP • ACCIDENT and SICKNESS  
GREENSBORO, NORTH CAROLINA

A company with 1.7 billion dollars insurance in force, now protecting over 3 million people

## Actuaries Hold Third Spring Regional Parley In Toronto

The third of four regional spring meetings of Society of Actuaries was held June 1-2 at the Royal York Hotel, Toronto, and attracted 440 members and guests. Six formal papers were presented and discussed. Although five were technical in nature, the papers as a group received a substantial amount of interest and discussion. Society President Dennis N. Warters, Bankers Life of Iowa, presided over the opening session and also welcomed 10 associates of the society, each of whom was attending his first meeting as a member.

In his paper, "Some Observations on Actuarial Approximations," J. A. Merreux, London Life, stated that actuarial approximations frequently are inconsistent with one another but that such inconsistencies are tolerated because extreme accuracy is not necessary in practical work. He developed a comparison of the values of several annuity and insurance functions using different assumptions.

In his paper, "A Justification of

Some Common Laws of Mortality," D. R. Brillinger, a graduate student at Princeton University, coordinated the modern concepts and definitions of the statistical subject of life testing with the concepts of actuarial science. R. F. Link, Equitable Society, stated that he had reached similar conclusions with respect to joint and survivorship functions.

### Review Recent Trends

In their actuarial note, "The 1960 Modification of the a-1949 Table with Projection," C. M. Sternhell and C. H. Page, both of New York Life, reviewed recent trends in individual immediate annuity mortality and presented a new mortality table which has been approved for use as the mortality basis for New York Life's valuation of individual annuities at the end of 1960. E. A. Lew, Metropolitan, pointed out that the only theoretically correct basis for computing immediate annuity rates is from select tables and that the effect of select mortality among

annuitants has been more important than anticipated, especially past age 70.

R. J. Myers, Social Security Administration, summarized recent operations of OASDI and public assistance programs in his paper. He listed the elimination of the requirement that the insured worker must be at least age 50 in order to receive disability benefits as the principal change in the 1960 amendments which also brought in a comparatively small number of new persons, principally in the area of employment by state and local governments. Contributions from workers and employers in 1960 were \$11.876 billion with benefits totalling \$11.425 billion. Total OASDI trust funds increased from \$21.966 to \$22.613 billion during the year.

### Gives Higher Figures

G. H. Davis, LIAA, in his discussion of Mr. Myers' paper, gave substantially higher figures as to the cost for the medical care benefits provided in the bill introduced by Congressman Forand and stated that his figures had been prepared by a group of actuaries representing his association and certain other trade associations.

John Hanson, Wyatt Co., consulting actuaries, in his paper, "What is the Added Cost to Permit Unrestricted Election of Optional Forms of Retirement Income?" concluded that the added pension cost incurred by employers when the restrictions are eliminated is substantially less than had been anticipated, particularly when the normal form of retirement income provides a measure of guaranteed income.

### Link Agrees With Approach

Mr. Link agreed with this approach in general but believes that the more important problem is in connection with early retirements where retirement frequently is dictated by health considerations. L. E. Coward, William M. Mercer, Ltd., consulting actuaries, believes that it is highly desirable to eliminate these restrictions and to recognize increased costs by providing optional retirement benefits adjusted for anti-selection. R. W. Walker, Northwestern Mutual, expressed concern as to the misinformed uses to which Mr. Hanson's material might be put by the uninformed.

George Ryrie, North American Life of Canada, presided over the discussion of topics relating to ordinary insurance, a large number of which were on the 1958 CSO mortality table.

### Describes Analysis

In the underwriting discussions, W. A. Keltie, Great-West Life, described his company's analysis of the build and blood pressure study leading to its decision to make only minor changes in present underwriting of blood pressure. Pearce Shepherd, Prudential, supported Mr. Keltie's comments.

L. A. Cannon, Great-West Life; D. M. Ellis, Canada Life; T. B. Morrison, Manufacturers Life, and E. J. Moorhead, New England Life, agreed that higher commission rates for experienced agents was not practical. T. B. Morrison and E. J. Moorhead, together with W. M. Anderson, North American Life of Canada, and J. C. H. Anderson, Georgia International, felt that grading of commission rates by size of policy is not appropriate.

A. C. Webster, Mutual Life of New York, summarized the suicide provision problems with respect to the guaranteed insurability option and indicated his company's appeal of the New York ruling will probably be heard in October or November.

J. L. Brockett, Northwestern Na-

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## Name Officers Of Conn. Over-65 Plan For Health Cover

HARTFORD—Ten Connecticut insurers have ratified the subscription agreement of Associated Connecticut Health Insurance Companies to join into effect the program of medical coverage for state residents aged 65 and over.

William N. Seery, vice-president of Travelers, has been named chairman of the new organization's executive committee. Frederick P. Perkins, senior vice-president of the Aetna Life group, is vice-chairman and Harold V. Williams, vice-president of Hartford Accident, is secretary.

The association will engage a manager and staff and lease office space. Member companies are Aetna Life, Aetna Life group, Connecticut Commercial Travelers, Connecticut General, Hartford Accident, National Phoenix of Hartford, Safeguard, Security-Connecticut and Travelers.

Old Equity Life of Evanston, Ill., has been licensed in Arizona.

## SURPLUS BUSINESS?

### HOW ABOUT CANADA LIFE?

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We have policyholders all over North America, we are licensed in the State of New York and we have been doing business in the United States for over 70 years.

We have a wide variety of plans to suit your clients' needs—you will find the rates competitive and attractive. Above all we have experienced men at both Home Office and our many field offices to help you place your business.

May we be of service?

AS CLOSE TO YOU AS YOUR TELEPHONE



The **CANADA LIFE**  
Assurance Company

Home Office: TORONTO, CANADA

## PREMIUM SPOT FOR CONVENTIONS

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**Dennis**  
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## Star Agent's Traits Discussed At CLU Dedication Seminar

Courage, drive, prestige-building, devotion to charitable and community activities are characteristics of the outstanding life insurance agent, according to panelists in the CLU national seminar for agents held at Bryn Mawr, Pa., as part of the dedication exercises of Huebner Hall, new home of the American Center for Insurance Education.

Howard D. Goldman, general agent of Northwestern Mutual Life at Richmond, said courage is an indispensable ingredient for permanent, high-level success in life insurance selling.

"Without real courage a life underwriter would be a mere peddler—an order-taker—and would never acquire the respect of others, or even real self-respect," he said. "The underwriter must be unafraid at all times to express his own opinions. He must have strong convictions and be prepared to defend them. He must be able to refuse to write an application for life insurance unless he sincerely believes that the purchase is a sound one, and unless he can apply the test of the CLU pledge." The pledge is an adaptation of the Golden Rule.

### Priebe Talks On Drive

Arthur F. Priebe, Penn Mutual Life agent in Rockford, Ill., warned that an agent can become smug at any level of production.

"It isn't enough to have a sense of urgency," he said. "You've got to keep it, and keep it alive."

Describing an experience with clients who had to remind him of services not rendered, Mr. Priebe said he realized he was not taking care of his clientele, not giving them the good service they deserved. So he hired another girl, making a total of three, went back to work himself and went from a million in sales to two million in a single year.

E. Price Ripley, agent of National Life of Vermont at Roanoke, Va., emphasized the need for building professional prestige through media such as estate planning. If an agent wants to be favorably regarded by other specialists in estate planning—the lawyer, the accountant and the trust officer—he should respect their knowledge in their respective fields, as well as their personal integrity.

### Work For A Team Approach

"Stick to life insurance as the solution to the problem at hand," Mr. Ripley advised. "Constantly work for a team approach to estate planning. Put the client's interest first, so much so that others realize you are doing exactly that."

He said not to be unhappy if a lawyer "crosses up or vetoes your ideas," since the same lawyer may help to sell a case in the future. He also advised recommending accounting service when it is really needed.

"A lot of my clients have been establishing trusts at one of our local banks," he said. "This particular trust department has never sold a case for

me, and that doesn't bother me a bit. If my clients get what they want and need sooner or later they will lead me to some fine business."

Bernard H. Zais, agent of Connecticut Mutual Life at Burlington, Vt., said that part of being a top-notch agent requires that some portion of every day be devoted to charitable and community activities—activities that have absolutely nothing to do with life insurance—which make the agent aware of the tremendous responsibility he has to give back to his own community just a little bit of what he takes out.

### Helped In Many Drives

"That is why I, too, am involved in community projects, and that's why I, too, have worked on many charitable and civic drives," he said.

Panel moderator was Leroy G. Steinbeck, vice-president of Life of North America. The panel was organized to consider the characteristics of four mythical—but realistically drawn—life agents. In their analysis, the panel, all successful agents themselves, brought out what they believed to be required to be an outstanding agent. Messrs. Goldman and Priebe are past chairmen of the Million Dollar Round Table. Messrs. Ripley and Zais are qualifying-and-life MDRT members.

## 68% Of Families Have Less Than \$1,000 Liquid Assets, Cornett Reports

Sixty-eight percent of American families have liquid assets of less than \$1,000, William Cornett, Prudential director of health insurance, reported at the annual sales congress of Michigan Assn. of Health Underwriters at Michigan State University.

A study by Prudential indicates 29% of American families have no liquid assets at all; 39% have under \$1,000; 22% have between \$1,000 and \$5,000; 9% have \$5,000 to \$25,000 and 1% have over \$25,000.

Mr. Cornett said also that Prudential has found there are five times as many mortgage delinquencies as a result of disability as there are because of death.

Other speakers on the all-day program were William Harmelin, Continental Assurance, New York, on the business uses of health insurance; James Barrett, vice-president Mutual of Omaha, who reported on the Washington scene; and Robert W. Osler, Underwriters National, whose closing talk was "You're in the Most Important Business in the World."

## Caldwell Named President By Nashville Agency Heads

Hugh Caldwell, Interstate Life & Accident, has been elected president of Nashville General Agents & Managers Assn. of NALU, succeeding Thomas M. Harrison, Pan-American Life.

Other officers elected were Samuel G. Robertson, Equitable Society, vice-president, and David Wade, National Life & Accident, secretary-treasurer.

## Booklet Hits One Million

Distribution of Occidental Life of California's public service booklet, "So You've Been Elected Publicity Chairman" has passed the one million mark.

First published in 1954, the booklet has been reprinted in serial form by many newspapers across the nation and is distributed to volunteer press chairman by more than 300 daily and weekly newspaper editors.

From left: Walter C. Leck, Chicago general agent of State Mutual Life, with President H. L. Add Plumley and John B. Nothelfer, vice-president, at a dinner party given Mr. Leck by the company at the Ambassador East Hotel in Chicago. The occasion was to honor the agency as the leader in life production during 1960—the sixth year in a row it has held this distinction. Coincidentally, the dinner also marked Mr. Leck's 30th anniversary with the company and he was presented with suitable mementos from the agency.



## A.A. L. Grants To Student Center

Lutheran Student Center at University of Wyoming has received a \$1,000 grant from Aid Association for Lutherans to purchase worship equipment. This is the 17th student center to receive an A.A.L. grant.

## In-Force Reaches \$600 Million

Insurance in force of Western Life of Helena has passed \$600 million in April, with production of \$10 million during that month. In-force totaled \$606,572,727, of which \$514,283,396 is in ordinary.

one of the  
**best**  
and one of the  
**busiest**

Comparable year-to-date figures continue to show that Central Life's sales consistently run well ahead of the life insurance industry as a whole. There are several reasons why this is so—and Central Life agents agree that an important one is *true graduated premium* on all plans (except single premium). The quantity discount idea, first introduced in the United States by Central Life in 1955, is another example of the sales-minded leadership that's making "One of the Best" one of the busiest, too!

*Central Life*

ASSURANCE COMPANY, DES MOINES 6, IOWA  
Progressive and competitive, yes . . . but not  
at the expense of financial security

ASSETS	\$180 Million
SURPLUS	\$15 Million
INSURANCE IN FORCE	\$650 Million

**RATE BOOK SPECIALISTS**

DESIGN  
PREPARATION  
PROOF READING  
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THE KLOPP CO.

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## Doctors Advised To Take Action In Hospital Cost Crisis

Unless physicians take intelligent action now, the hospital cost crisis will turn into a crisis for private medicine—probably its last.

This grim prophecy is one of the highlights in the special issue of Medical Economics entitled "The Hospital Cost Crisis."

The 10 articles are prefaced with the warning that the subject is "criti-

cally important" and that to bring out the special issue "later may be too late for doctors to act on it."

Other highlights of the issue:

Hospital costs are doubling every eight or 10 years. By 1970, the price of a day in the hospital may rocket past \$60.

The biggest causes of this cost crisis are patients' demand for more and better care; more hospital workers hired at higher wages; and the population explosion.

The public puts most of the blame for booming hospital costs on the doc-

tor. But while this doesn't tie-in with the above facts, the doctor is in a position to "control some controllable factors that he hasn't controlled well enough to date."

Doctors can personally apply a number of crisis-averters. The authors offer 21 in the final article.

Ordinary insurance in force of California-Western States Life increased a record \$15,201,000 during May. Sales that month were 53% ahead of April and \$500,000 over May, 1960.

## Sees Conversion To Non-Can As Big A&S Market In Five Years

The biggest market for health insurance in the next five years will be in the conversion of the 81% of all existing insurance on a commercial basis into some form of non-cancellable, Kenneth Wylie, director of health insurance sales General American Life told members of St. Louis Assn. of A&H Underwriters. He also predicted that by 1965 most new business would be issued on a non-can basis.

Since everyone in the industry is anxious to keep the federal government out of insurance, there is nothing better to prevent government intervention than the continuation of existing insurance through adequate and reasonable renewal provisions, Mr. Wylie declared.

He pointed out that of the \$6.5 billion of health insurance now written, one-third is through Blue Cross and Blue Shield, one-third under group plans and the remaining third in individual policies. Of the individual policies, 81% is written under a commercial basis, and 8% of this is guaranteed renewable only as to age. Another 6% is non-can with certain restrictions while only 5% is renewable for life. The public as well as the industry is aware of the need for non-can protection for life, he said.

In the next five years, 85% of health insurance will be sold on a program rather than a package basis. The coverage will be supplementary to existing protection and will take into consideration provisions for social security.

Companies, he said, will be expected to bring out new disability policies and different formulas will be used to solve the needs for protection. The prospect will be able to tailor a program to fit his own particular need by eliminating certain periods from the maximum protection he needs. In short, he will be able to determine just how long and how much the policy shall provide for. Mr. Wylie forecast a golden future for the agent with a good guaranteed renewal contract and who knows how to sell it.

## LOMA Publishes Manual On Clerical Training Programs

A report outlining the principles of clerical training has been published by Life Office Management Assn. Titled "Clerical Skill Manual," the report also lists sources of help for companies considering training clerical personnel. Six areas of training are covered—filing, typing, machine transcription, stenography, calculating machine operation and telephone. A bibliography of reference sources is included with each section.

Copies of the report have been distributed to LOMA member companies and additional copies may be obtained from the association's headquarters for \$1.50 to members and \$3 to non-members, plus a postage and handling charge of 25 cents.

## Stock Dividend For Municipal

Municipal of Chicago has declared a stock dividend of one share for each 20 outstanding, payable July 3 to stock of record June 1. Rights of fractional shares are to be satisfied in cash on the basis of valuation of \$3 for a whole share. This valuation has been fixed by the directors in connection with the stock dividend only, and is wholly unrelated to the market price or the actual value of Municipal shares.

# The Time is NOW!



The past dozen years have seen more changes in the life insurance industry than the preceding hundred years. The next dozen years are likely to be even more exciting . . . and profitable . . . for the professionally-minded life insurance counselor.

The inevitable boom in the 60's. Higher income levels. New tax and estate problems. New Social Security applications. Rapidly expanding Group Insurance and Pension Plans. Use of Mutual Funds in estate planning. Annuities. Personal and family finance. Knowledge of these and much more will build your client's confidence in you.

Rich rewards will go to the career underwriter who devotes time and talent now, pre-

paring himself to become a C.L.U. and render the brand of life insurance service more and more of today's clients require and expect.

No other industry surpasses life insurance in available professional training. Pinnacle of this training is the Chartered Life Underwriter program of the American College of Life Underwriters. Minnesota Mutual is pleased and proud to number many C.L.U.s among its field force and home office staff. We encourage others constantly to study and work for this honored designation. Talk it over with your Manager or General Agent, your local C.L.U. chapter, or a friend or colleague who is a C.L.U.



The  
**Minnesota  
Mutual Life**  
Insurance Company  
VICTORY SQUARE • ST. PAUL, MINNESOTA



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## LAA Issues Nine Case Histories

Nine case histories in the fields of advertising research, sales promotion and public relations have recently been sent to members of Life Insurance Advertisers Assn. by L. Russell Blanchard of Paul Revere Life, vice-president of LAA.

These case histories are part of the LAA's continuing program for making practical, factual material available to its members. The reports are designed as supplements for basic handbooks on sales promotion, advertising and public relations produced by LAA.

In the advertising field these case histories were published: "To Advertise Effectively at the Local Level on a Limited Budget" (Baltimore Life); "Why We Decided to Use National Media (on a Regional Basis) in Our Advertising Plans" (Pilot Life); "Selecting an Advertising Agency" (Group Health Mutual Inc.).

### Sales Promotion Case Histories

In sales promotion these case histories were issued: "Informing Policyholders of an Increased Benefit" (Prudential's Houston regional home office); "Coordination of Advertising and Sales Programs" (Gulf Life); "Sales Contests" (Mutual Benefit Life).

The public relations case histories released were "Opinion Surveys and Service Audits to Measure Opinion of Public Groups" (Mutual of New York); "Turning Building Irritations into Praises" (Bankers Life of Iowa and Life Casualty); "Publicity Chairman Booklet Proves Excellent Good-Will Builder" (Occidental Life of California).

The sales promotion committee of

LAA is headed by Marion Davis, Provident Life & Accident. Richard Chatfield of Continental Assurance is chairman of the advertising committee and Dodge Geoghegan, Occidental of North Carolina, is chairman of the public relations committee.

## Missouri Agents Name Schneider President

Steve F. Schneider, New York Life, Springfield, was elected president of Missouri Assn. of Life Underwriters at the annual meeting at Springfield. Also elected were Thomas V. Fitzgerald, New York Life, St. Louis, 1st vice-president; William C. Hopkins, State Farm Life, Sedalia, 2nd vice-president; and M. Luther Hahs, Northwestern Mutual, Cape Girardeau, secretary-treasurer.

Fred R. Sale, General American, St. Louis, was chosen to head Missouri Life Leaders Round Table. Other officers are Mr. Hahs, 1st vice-president; Gene F. Hadel, General American, Kansas City, 2nd vice-president; and L. L. Dowell, New York Life, Columbia, secretary-treasurer.

## Journal Of Insurance Award Winners Named

The 1960 winners of National Assn. of Insurance Agents awards for outstanding articles and reviews appearing during the year in the Journal of Insurance, the official publication of American Risk & Insurance Assn., have been announced.

Winners of the \$150 awards are Frank G. Dickinson, "The Social Security Principle"; John T. Even, "Notes from a Graduate Course in Insurance Administration"; Ludwig A. Wagner

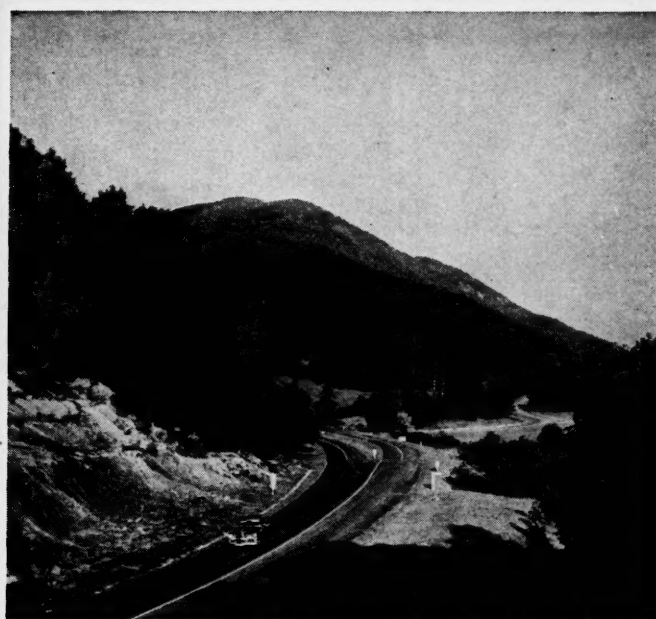
and Theodore Bakerman, "Wage Earners' Opinions on Insurance Fringe Benefits"; C. Arthur Williams Jr., "Game-Theory and Insurance Consumption," and Walter Williams, "Insurance as a Segment of the Liberal Business Education."

In addition, two awards of \$50 each have been made for two book reviews: Edson L. Bowers for his review of "The Teacher Who Changed an Industry" and Ingolf H. E. Otto for his review of "Insurance Courses in Colleges and Universities Outside the United States."

## Indiana Blue Cross To Cover Home Care

Indiana Hospital Service (Blue Cross) has extended benefits to cover post-hospital home care to non-group subscribers. This is the first time a Blue Cross organization has provided home care coverage on a large scale.

The new certificates will cover visiting nurse service, use of surgical and orthopedic appliances, hospital beds and traction equipment and 80% of the cost after the first \$10 of drugs purchased on prescription.



Blue Ridge Parkway —  
"Most scenic highway in America"

## Roanoke, Star City of the South— Home of Shenandoah Life

Few cities in America are more scenically located than Roanoke, the headquarters for the Blue Ridge Parkway, which runs atop the storied Blue Ridge Mountains, connecting Shenandoah National Park in Virginia with the Great Smoky Mountains National Park in North Carolina and Tennessee.



Home Office of Shenandoah Life in Roanoke, Virginia.

Your opportunities are bigger at Shenandoah Life — one of two large Mutual companies in the South providing greater benefits for its policyholders and the insurance-buying public — a company with a wide range of opportunities for competent representatives in 12 states and the District of Columbia. Special agency opportunities in Kentucky, Ohio and Pennsylvania.

For full information write to:  
James L. Whitt, C. L. U.  
Director of Agencies

## Shenandoah Life

INSURANCE COMPANY

Home Office • Roanoke, Virginia

A Mutual Life Insurance Company Owned By and Operated For Its Policyholders



## CHANGING TO THE 1958 CSO TABLE?

BOWLES, ANDREWS & TOWNE has available:

- Non-forfeiture values, 2½% and 3%, minimum first 5 years graded into CRVM reserves end of 15 years. CRVM and Net Level reserves, for most standard and some special plans.
- Electronic computing facilities (both Burroughs 220 and IBM 607) for calculating: non-forfeiture values, asset shares, reserves, gross premiums, dividends.
- A large staff experienced in serving as the company's actuary or working as an extension to the company's actuarial department. In addition to computing work the staff can assist in establishing basis of dividends and gross premiums and preparation of policy forms and ratebook text.

For further information write or call

BOWLES, ANDREWS & TOWNE, INC.

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Richmond 30, Virginia

ATLANTA: 1389 Peachtree Street, N.E.  
Atlanta 9, Georgia

NEW YORK: 156 William Street  
New York 38, N. Y.

PORTLAND: 465 Congress Street  
Portland, Maine

DALLAS: 715 Meadows Building  
Dallas 6, Texas

MIAMI: 100 Biscayne Boulevard, South  
Miami 32, Florida

## Woodmen A.&L. Names C. W. Faulkner To Agencies Director Post

Woodmen Accident & Life has promoted C. W. Faulkner to vice-president and director of agencies. He succeeds Leonard J. Melby, who returns to active field management as the company's agency manager for southern Minnesota at Rochester.

Mr. Melby joined the company as agency vice-president in 1950 and was subsequently promoted to vice-presi-



L. J. Melby



C. W. Faulkner

dent and director of agencies. From 1939 to 1950, Mr. Melby was with John

Hancock as agent and assistant manager in the field and in the home office as assistant to the agency vice-president. He entered the business in 1938 with Equitable Life of New York.

C. W. Faulkner has been with Woodmen A.&L. since 1938. Following the war, he was a successful personal producer in northwestern Iowa and Minneapolis and was then promoted to agency manager for northern Missouri. In 1952, he was named superintendent of agencies at the home office and was subsequently promoted to vice-president and superintendent of agencies.

## Public-Industry A&S Advisory Unit Proposed In N. C. Legislature

RALEIGH, N.C.—Creation of a health insurance advisory board to review and advise action on health insurance complaints from the public has been proposed in bills introduced in both houses of the North Carolina legislature.

The bills would create a nine-member board, composed of five public members and four from the insurance industry. The nine would be appointed by the governor, and the insurance industry representatives would be recommended by the insurance commissioner, who also would be an ex-officio member.

The board would review complaints at least quarterly. It could subpoena witnesses and records and require the appearance before it of any company when the board and commissioner think the company has not operated in the public interest. It could reprimand, place on probation or suspend the license of an offending company.

Also, the bills provide that the board could study the industry and make recommendations to the governor for actions to be taken to insure better service to the public.

In other recent action affecting health insurance, the senate insurance committee killed SB 43, which would have applied the two-year statute of limitations on defenses to fraudulent misstatements in applications for A&S policies.

Another bill, which would eliminate a requirement for two years of active existence before a firm or association may purchase franchise A&S, was approved by the senate insurance committee. It has passed the house.

## Chicago Life Agent Assn. Units Elect New Officers

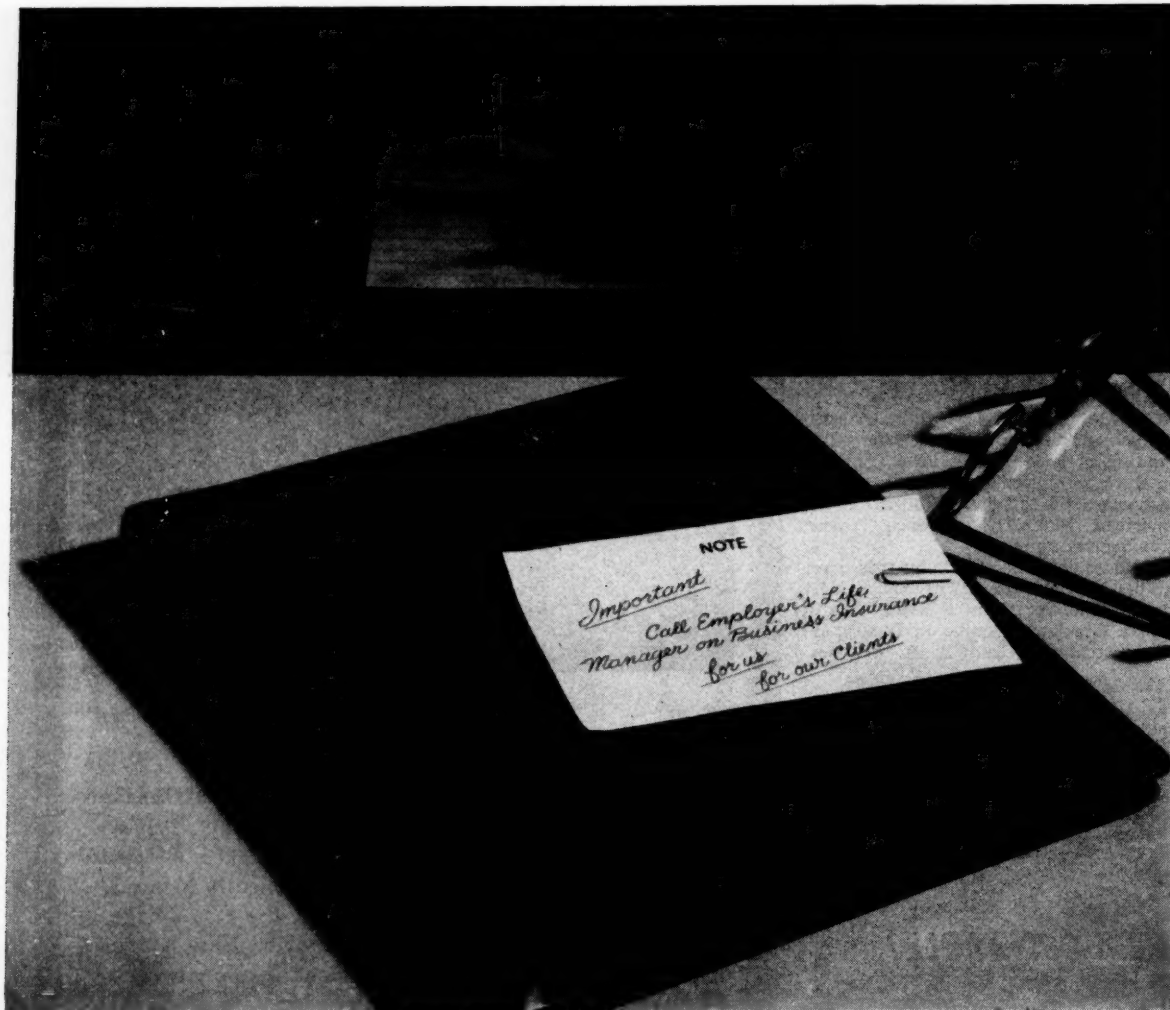
Two units of Chicago Assn. of Life Underwriters—West Suburban and North Suburban branches—have elected new officers.

West Suburban: Richard A. Telford, Mutual of New York, was named president to succeed Robert C. Fagan. Crown Associates, Frank P. Boyle, John Hancock, was elected 1st vice-president; J. David Nall, Aetna Life, 2nd vice-president, and Rex D. Talmadge, Northwestern Mutual, secretary-treasurer. E. F. Vardon, underwriting officer Crown Life, spoke on "Appraising Risks From the Career Agent" and Oliver R. Aspegren Jr., Ohio National Life and president of the Chicago association, performed the installation.

North Suburban: Robert P. Reihner, Northwestern Mutual Life, succeeded William G. Manbeck, New York Life, as president. Alfred A. Gliemi, Prudential, was named 1st vice-president; Philip W. Adolphus, New York Life, 2nd vice-president; Sid J. Stiegel, Metropolitan, secretary, and William R. Ryno, Connecticut General, treasurer. F. Turner Munsell, vice-president north central region New York Life, was the guest speaker and Mr. Aspegren installed the new officers.

## Portland (Ore.) Agents Elect Hartley President

John L. Hartley Jr., Standard of Oregon, has been elected president of Portland (Ore.) Life Underwriters Assn. Glenn H. Scott, Western Life of Helena, is vice-president, and Emmet Kirnak, Penn Mutual, is secretary-treasurer.



## THE RIGHT WAY TO START

Yes, this agent is starting the right way. Why don't you do the same? Call The Employers' Life Manager today about Business Life Insurance...

... for your agency, to protect the going business you've worked hard to build

... for your clients, to serve them better by protecting the future of their businesses.

Our new Business Life Insurance sales aids help you do the job. An attractive audio-visual sales presentation is available for your use. Our new Business Life Insurance manual helps you tailor the plan to your client's need.

Start today... the right way. Call The Employers' Life Manager nearest you.



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INSURANCE COMPANY OF AMERICA

EXECUTIVE OFFICE: 110 MILK STREET, BOSTON 7, MASSACHUSETTS

ONE OF THE EMPLOYERS' GROUP OF INSURANCE COMPANIES





## Life Companies Have Good Growth Opportunity: Reeder

SAN FRANCISCO — Howard C. Reeder, president Continental Assurance, told a group of investment bankers here that life insurance companies are entering an era of new growth opportunities.

He said current signs of general business recovery and improving employment mean that the number of people covered by group insurance of all kinds will start climbing again while the increasing size of the average ordinary policy is tending to reduce unit costs of writing such policies.

Mr. Reeder said he expects the average American will be carrying ordinary coverage of 50% over the average policy at the end of 1960. This trend should offset reductions in rates that may follow the adoption of new mortality tables by the industry, he added.

Higher interest rates, currently prevailing and in prospect for the immediate future, also contribute to underlying strength of the business, he said. From the standpoint of earnings of stock companies such as Continental, returns being realized on business now in force will remain at present levels and new business added should afford earnings on a comparable basis.

Mr. Reeder said growth opportunities in the life insurance field the next 10 years are just as attractive as they were a decade ago. He mentioned in this connection the prospect that the number of persons reaching 21 years of age over the next 10 years will average 2,800,000 annually against 2,100,000

the past 10 years; also, 55% of those employed in non-agricultural establishments are still not covered by pension plans.

The small employer, Mr. Reeder said, is still relatively untouched as far as pension coverage of his employees is concerned. "I think insurance types of coverage for such employees is superior to other forms," he added.

"Mutual funds, term insurance and even variable annuities have their place in the investment programing of those with sufficient income and capital to employ them to their best advantage, but ordinary life insurance is still basic to any estate plan," Mr. Reeder said. "We in the insurance business think this fact is better appreciated today because some of the glamor has worn off the newer competitive forms of long-term investing.

Ingenuity and inventiveness have characterized the operations of life insurance companies over the past decade and there is no reason to believe they will be any less aggressive in the next 10, Mr. Reeder said. New types of policies to appeal to the growing young-adult market have been introduced and more along this line can be expected as the business potential with this group is developed.

### Argonaut Life Organized

Organization of Argonaut Life has been completed. The company will operate as an affiliate of Argonaut of San Francisco, a former reciprocal specializing in workmen's compensation insurance which a few years ago became a stock company and now is multiple line.

The life company has been in the making for about a year. It will feature a decreasing term life policy.



Spencer L. McCarty, Provident Mutual, Albany, left, receives engrossed scroll from New York City Life Underwriters Assn. honoring him for his 16 years of service as managing director of the New York State association. Making the presentation is Harry Phillips III, Penn Mutual Life, president of the local association. Mrs. McCarty, center, was presented with 16 long-stem American Beauty roses. Ceremonies took place during the New York City unit's 75th anniversary luncheon.

## Now If All The Policyholders Were Like Her...Wow!

Not too often does Maurice T. Battin, claims vice-president of Ministers L.&C. Union, receive a letter like the one he got from an elderly California policyholder, returning half of a \$200 surgical benefit payment. Widow of a clergyman, the policyholder wrote: "You have been so prompt and generous, I felt you had done your share. I can't keep it all. The enclosed check is for \$100. Please give it to someone who needs it now. My whole family will always be grateful to you for your security and generosity."

The company returned the \$100, suggesting that she give it to a charity of her choice if she did not use the money herself.

Bankers of Iowa conducted advanced underwriting workshops for its senior agents at Cincinnati, Kansas City and Denver. The workshops drew a total attendance of 47.

### 1960 ANNUAL STATEMENT HIGHLIGHTS \*

- For each \$1.00 of liabilities, ULLICO owned \$1.28 of assets as protection for policyholders.
- Company liabilities amounted to \$30,162,228 after providing for required reserves and other mandatory obligations. Special surplus funds, capital and unassigned surplus amount to \$8,355,566.
- ULLICO assets increased to a record \$38,527,795. Income from premiums, investments and other sources increased to \$50,172,978, a one year gain of 7%.
- Living benefits showed a continued gain as the total reached \$36,506,831 as against beneficiary benefits of \$8,897,304 for the year. Total benefits paid to policyholders and beneficiaries were \$45,404,136.
- Premium income earned for accident and sickness coverages was a record \$35,620,669. The 1960 income from these programs increased by \$2,941,859.
- Total life insurance in force amounted to \$1,096,405,179.

## THE UNION LABOR LIFE INSURANCE COMPANY

850 Third Avenue • New York 22, N.Y.

EDMUND P. TOBIN, President

\* Our comprehensive Annual Report is available upon request.



- LIFE
- GROUP
- HEALTH

## NORTH AMERICAN REASSURANCE COMPANY

161 East 42nd Street, New York 17, New York

### Regional Offices

230 North Michigan Ave., Chicago 1, Ill.

1509 Main Street, Dallas 1, Texas

400 Montgomery St., San Francisco 4, Calif.



## IAHU Not Downcast By Federal A&S Threat

(CONTINUED FROM PAGE 1)

son's impairment.

Looking to what's ahead, Mr. Morrell sees dental insurance providing a completely new layer of premiums, and the providing of medical benefits for retirees as a general thing, with premiums ceasing at age 65. But most important, he said, is protection of income for the entire financial structure of America, the entire domestic economy, falls apart without income.

Mr. Skutt, in his keynote address, said he wanted to talk about the "key" in keynote the key to preservation of the voluntary system of insurance in this country and with it the American way of life. There is nothing closer to people's hearts than their own health. This "key" of health insurance is not only the one with which to open the door of security for financial protection, but it also serves to lock the door against government insurance, bureau-

cracy, the welfare state and communism, he declared.

Mr. Skutt traced what he called the creeping paralysis of social security already affecting the business in the social security amendments, first to provide cash disability benefits for age 50 and over, and then, two sessions of Congress later, to eliminate the age 50 requirement.

There was never a time, he said, when health insurance was on the lips and in the minds of the people as it is today. Years ago people didn't believe in health insurance at all. Now they are

definitely thinking of it. They are waiting to be called on, they are waiting to be signed up. By turning this situation to advantage, "We have reason to believe that the future is very, very bright, indeed," said Mr. Skutt. "All this should be done under the agency system, for it is the agency that has made insurance the vitally important service that it is today."

Orville E. Beal, executive president of Prudential, the scheduled luncheon speaker the opening day, called out of the city and his place taken by Ardell T. Everett, 2nd president of Prudential. He expressed gratification at Mr. Skutt's emphasis on the role of the agent. Continuing progress in expanding health insurance for the American people depends most entirely on the agency system. The public is informed, by and large, by the agents and educated by the agents. They are the only ones who person to person and voice to voice, can tell the true story of health coverage.

"I am sick and tired of hearing critics talk about the rising cost of health care," he said. "This care can be paid by the institution of voluntary health insurance. The public, however, is led to believe that all costs of illness should be fully covered. This is not other criticisms. More and more hospital coverage causes abuses. It is designed to cover part of the economic loss, never all. By the very existence of hospital coverage, people are being sent to hospitals who otherwise would be treated at home."

W. Sheffield Owen, vice-president of Life of Georgia, quoted an array of statistics showing the great need of a market for health insurance. Most people are buying hospital insurance, "but we know they need to be buying major medical and loss of income coverage," he said.

Later events will be reported in next week's issue.

## Replacement Resolution Is Endorsed By NAIC

(CONTINUED FROM PAGE 1)

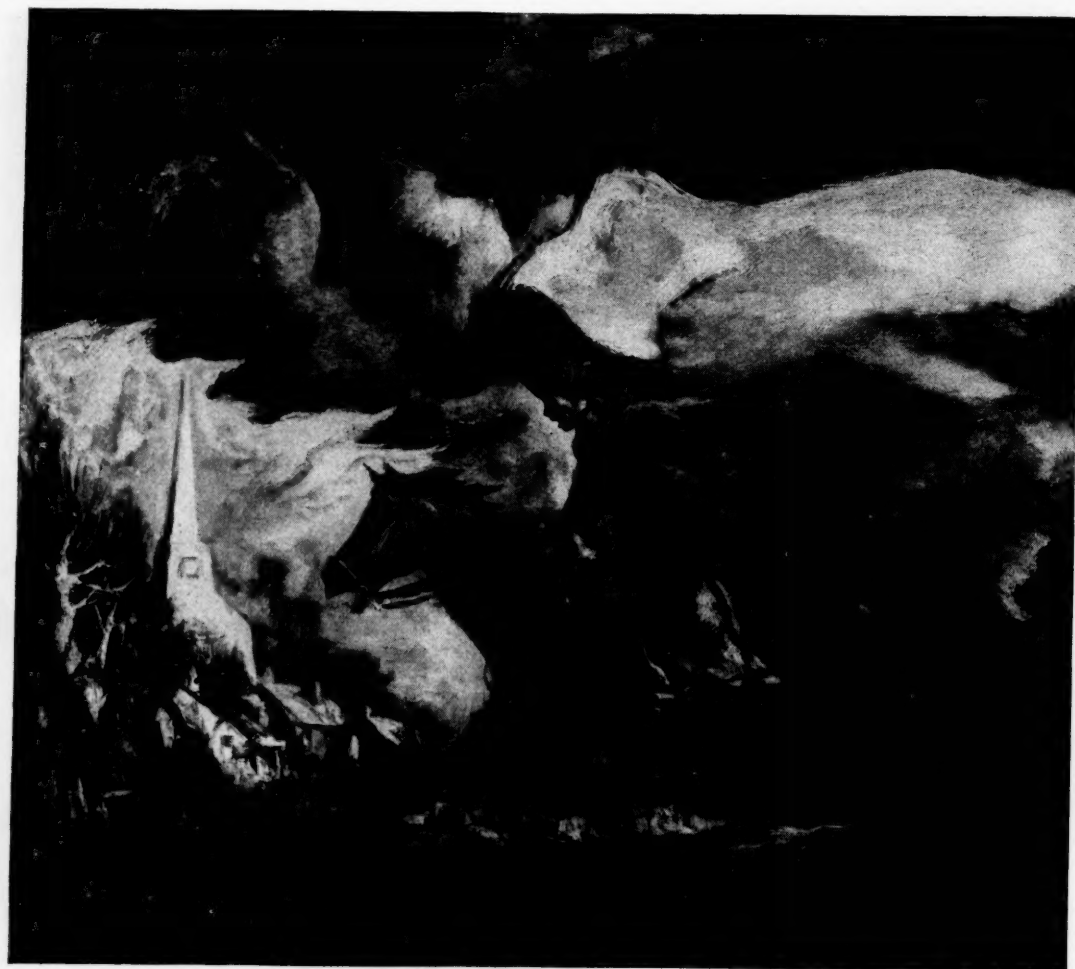
which the policy may be contested by the company.

"5. Life insurance policies provide a unique medium for a safe and systematic method of saving. Replacement may involve the sacrifice of these advantages.

"In view of these potential disadvantages, if replacement is suggested by an agent, the policyholder should insist upon a written and signed proposal setting forth all the facts comparing the relative benefits under the two policies. He should then submit this written statement to both the company whose policy is proposed to be issued and the company whose policy is to be replaced, with a request for their comments and analysis. As an alternative to submitting it to the companies or in addition thereto, the policyholder may, if he desires, submit the written statement to his state insurance department with a request for its comment and advice.

Endorsement of the resolution was offered from industry by Carlyle D. Sears of Maryland told the life committee be favored such a pronouncement. Ralph Keffer of the Connecticut department commented that the companies, in contrast with producers are reluctant to help the department pursue complaints even when their own ox is gored. Assistance from the companies is definitely needed if the departments are to do an effective job, he declared.

The public has come to know John Hancock through advertisements like this one. For years these advertisements have appeared regularly in national magazines, each one telling the story of a great American citizen or institution . . . each one adding to the stature of our company and its agents.



*He rode against injustice...*



You'd HEARD all the other poems . . . the dull ones, the dry ones.

Then one day the teacher started to read a special one you'd never forget. "Listen, my children, and you shall hear of the midnight ride of Paul Revere."

And—it was good! Good as a story! There was all the secret stuff about the muffled oars and the lanterns in Old North Church. Then the horse leapt. The sparks flew. The schoolroom shook to a thunderous knocking till you wanted to grab your musket and run right out to Lexington, yourself.

That's the famous ride, the one everyone knows about. But there were dozens of others along black roads in the driving rain. Dozens of others where Paul carried messages that would have proved him patriot or traitor . . . depending on who caught him.

What drove this stocky, middle-aged man to be always in the thick of things . . . to be courier, organizer, warrior, pleader and plotter? He couldn't have told you. He wasn't a great hand with words—as were Patrick Henry and the clever Mr. Franklin.

But he couldn't stomach injustice any more than they could. He never could as long as he lived. In his seventies, there was Paul busily making plates to sheathe "Old Ironsides."

Paul knew the fight against injustice never falters, never relaxes. His life proved . . . and proves over and over again . . . that "in the hour of darkness and peril and need, the people will waken and listen to bear . . . the midnight message of Paul Revere."

*John Hancock*  
MUTUAL LIFE INSURANCE COMPANY  
BOSTON, MASSACHUSETTS



## Changes In The Field

### Employers Life



James P. Garrity

James P. Garrity has been appointed manager for District of Columbia and Maryland, with headquarters at Washington. He had been supervisor of Hartford Life at Washington, where he was previously a supervisor of Connecticut Mutual Life.

### New England Life

The Bowes agency at Newark has been split into four general agencies, following the retirement of C. Vernon Bowes, general agent, who has been



Alden R. Sargent



C. Vernon Bowes

with the company for 26 years. He has been general agent at Rochester, N.Y., and is a past president of New Jersey General Agents & Managers Assn. A successor to Mr. Bowes at Newark will be announced later, but, in territory formerly handled by the Newark agency, the following have been named managers of the new general agencies in their respective cities:

Harry W. Berger, former district



Max Rosenbach



Harry W. Berger

manager at Asbury Park. He is a member of Million Dollar Round Table and is president of Monmouth Life Underwriters Assn.

Alden R. Sargent, district manager at Hackensack, where he earlier was supervisor.

Max Rosenbach, district manager and general manager at Plainfield. He joined the company at Newark. A CLU, he is a member of Million Dollar Round Table and a trustee and program chairman of Plainfield Life Underwriters Assn.

Jerome Barsky, agent at Trenton, has been appointed director of sales at Philadelphia.

### Aetna Life

W. Thomas Craig, general agent at Los Angeles, will relinquish his management duties Aug. 1 and will be succeeded by Rodney M. Harpster, general agent at Portland, Ore. Mr. Craig, who will remain with the agency as general

agent emeritus, joined the company in 1927, later becoming group manager, regional supervisor and assistant general agent at Boston and general agent at Cincinnati. He is past president of Los Angeles General Agents & Managers Assn. and of both Cincinnati and Ohio Life Underwriters Assn. Last summer he was named honorary chairman of General Agents & Managers Conference, an organization he helped to found.

Mr. Harpster joined the company at Longview, Tex., became an agency assistant at the home office and was appointed assistant general agent at Portland and later associate general agent.

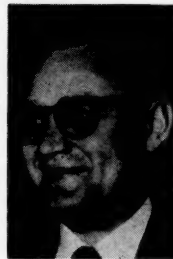
### Great-West Life

New regional managers of property investments are C.R. Forsyth at Toronto, Russell King at Montreal, and J.H. Green at Vancouver. N.T. Hughes has been appointed property investment manager at Calgary, Alta., and a similar position at Winnipeg will be occu-

pled by J.F. Bird. All were previously in mortgage investment posts at their respective cities.

### Franklin Life

Earl J. Lambert has been named area manager at Decatur, Ill., and his territory will consist of Macon, Christian, Piatt and Moultrie Counties.



Earl J. Lambert

### Bankers Of Nebraska

John O'Donnell, formerly group representative of New York Life, becomes group manager at San Francisco.

### Guardian Life

Richard T. Weldon has been appointed general agent of a new agency at Watertown, N.Y. He has been with New England Life at New York and

is a life member of Million Dollar Round Table and past president of Northern New York Life Underwriters Assn.

### Lincoln National

Walter P. Kilkenny, group representative at Washington, has been transferred to Montclair, N.J., as regional group manager. He succeeds Thomas Quick, who has gone with Lincoln National of New York.

### Sun Life Of Baltimore

Frank F. Lederman has been appointed general agent at Union City, N.J. He has been assistant manager of Metropolitan Life at Jersey City.

### All American L. & C.

Dean A. Briscoe has been named general agent for southeastern Wisconsin. He formerly was with Republic National at Lansing, Mich.

### Equitable Society

Joseph H. Morrow, field vice-president for the New York metropolitan department, has been appointed field vice-president for agency affairs in the

**DOUBLE  
SUPPORT...  
TO KEEP  
SALES  
UP!**

Prudential's national advertising program, and Regional Home Office advertising campaigns, give Prudential representatives two-way sales support. The Company's network TV advertising and national print campaigns join hands with RHO advertising to give Prudential representatives far-reaching national and local-level support. This "double support" helps every Prudential representative bring more protection to an ever-increasing number of clients.



You'll enjoy  
"THE TWENTIETH CENTURY,"  
Sundays, CBS-TV

western department, with headquarters at San Francisco. He succeeds Arthur P. Carroll, who has been appointed manager at San Francisco. Mr. Morrow, a CLU, has been manager at Rochester, N.Y., and Syracuse.

### Republic National



A. B. Peterson

Albert B. Peterson has been appointed superintendent of agencies at Chicago. He has field management experience there and he has been superintendent of general agencies for the midwest and east.

### Occidental Of California

Sidney G. Toews has been appointed manager of the newly established Winnipeg office. He joins Occidental after two years with Canada Life there.

Paul C. Fay, assistant manager at Boston, has been appointed to head a new general agency at Woonsocket, R.I.

### Mutual Of New York

Claude E. Lewis, manager at Chicago, has been transferred to Indianapolis to succeed Claud P. Barrett, who



Donald H. Palmer



Claude E. Lewis

has been promoted to assistant superintendent of agencies. Mr. Lewis, before joining Mutual of New York, was general agent of State Mutual Life.

Succeeding Mr. Lewis is Donald H. Palmer, a member of the management training staff and before that assistant manager at Chicago.

### Prudential

Michael Funaro has been named manager at Butte, Mont., and Joseph H. Glymour transferred from there to Albuquerque as manager.

Mr. Funaro has been with Prudential since 1954 and Mr. Glymour since 1948.

### Kansas City Life

General agents appointed are Morton D. Adelson at Cincinnati and Lowell A. Pearson at San Diego.

### Midland National

New general agents of Midland National of South Dakota are Gerald P. Flynn and A. Larry Haggerty at Fairmont, Minn., Ray Jackson at Mankato, Minn., and Chester J. Francis at Woodland, Cal.

### Knights Life Of Delaware

George Leigh has been appointed state director for Virginia.

### SOUTHLAND SECURITY LIFE—

Carlos F. Baker has been appointed agency director for Louisiana. He has been with the company since its founding in 1959.

### Mutual Benefit Life

William H. Carson, who recently joined the district group office at Los

Angeles, has been appointed group representative there. Before joining the company, he was a sales representative in Los Angeles for Remington Rand.

### Colonial Life

Merwin C. Olson has been appointed group representative at Hartford, where he has been with Connecticut Blue Cross and before that was an examiner in the brokerage department of National Fire.

### Pacific Mutual

Daniel L. Smith, supervisor at the Hodgkin agency at Kansas City, has been raised to assistant manager there.

### Bankers Of Ia.

Eugene T. Severin has been promoted to senior account executive at San Francisco. He joined the company in 1946 as regional group manager in northern California.

Harry A. Holland Jr., has been promoted to San Francisco group manager.

### Security Mutual Life Of N.Y.

Joseph H. Stark has been appointed general agent at Queens, N. Y., where he had been general agent for the Maccabees. Before that he operated his own general lines agency.

### Jefferson National

George C. Stossmeister, formerly with Prudential, has been appointed a general agent at Indianapolis.

New general agents are James P. Simmons at Memphis, Leon D. Boone at Battle Creek, Mich., and Sheldon Tucker at Chicago.

### INVESTORS SYNDICATE LIFE—

Edward M. Burke, general counsel, has been named to the board's executive committee.

### Liberty National Life

Frank D. Grimmet, associate district manager at Oneonta, Ala., has been transferred to Mobile in the same capacity. He is succeeded by Vance R.

Morton, former district agent there.

L. L. Hayes, district agent at Marietta, Ga., has been named associate district manager there.

J. M. Cater, associate manager at Ensley, Ala., has been transferred to Gadsden, Ala., in the same capacity.

**LIBERTY LIFE** of Greenville, S. C., has promoted John D. Lamont from group representative at Greenville to district group supervisor in charge of a new group office at Columbia, S. C. Before joining the company, he was with Crown Life.

**NORTH CENTRAL LIFE** has appointed the newly organized North Central Agency of the Dakotas general agent at Carrington, N.D. Principals of the general insurance agency are A.L. Garnaas, president; H.R. Tenborg, vice-president; and Clifford Flegel, secretary and treasurer.

**PACIFIC FIDELITY** has appointed Walter A. Borg manager at Van Nuys, Cal. He was associate manager there, and before that he was with Prudential.

**KENTUCKY CENTRAL L&A.** has appointed David H. Taber to head a new general agency at Miami.

**WESTERN TRAVELERS** of Los Angeles has appointed Walter S. Long general agent at San Francisco.

**APPALACHIAN NATIONAL LIFE**—general agents appointed are Albert B. Middleton at Richmond, where he has been with Georgia International Life and Prudential; Jerre T. Jordan at Halls, Tenn., where he formerly was with American Frontier Life; Wayne Handley at Memphis, where he has been with Republic National Life; Gerald G. Yarber, also at Memphis, where he, too, has been with Republic National; S. Estill Blair at Whitesburg, Ky., where he has a general lines agency, and William E. Wilson Jr. at Lynchburg, Va., where he has been an agent with First Colony Life. Joseph W. Stout has been named general agent at Greenfield, Tenn. He has been with Home Beneficial Life at Jackson, Tenn.

## LIAMA Appoints Bramley Assistant To Its Managing Director

Donald Bramley, director of managerial training of LIAMA, has been named assistant to the managing director and an officer of the association.

Mr. Bramley joined LIAMA in 1952 as a consultant, becoming senior consultant two years later. As director of managerial training, a post he has held since 1958, he was in charge of the schools in agency management, the management orientation schools and the special foreign company schools.

Before joining LIAMA, he was John Hancock's regional supervisor in northern New England.

### Author Of Insurance Books

Since going with the association, Mr. Bramley has been author of "Presenting the Career" and "Essentials of Supervision," co-author of "Managing District" and "Study Course in District Management," as well as a management consultant for several member companies. He is a CLU.

### Lutheran Mutual Adds IBM 1401

An IBM 1401 tape data processing system will be installed at Lutheran Mutual Life approximately July 1. Under the new system all policy records will be transferred to magnetic tape and the records will be up-dated daily. The present IBM department will be enlarged to make space for the 1401 system and a special room will be prepared for the machine. The machine will also be used for special studies, such as the future change in the 1958 CSO mortality table.



Donald Bramley



# Washington National

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HOME OFFICE: EVANSTON, ILLINOIS



## Home Office Changes

### General American



R. N. Stabler

Robert N. Stabler has been named vice-president and group actuary. Mr. Stabler heads the group operations division comprised of the group actuarial, underwriting, administration, claims and new products departments. Formerly assistant vice-president and group actuary, he joined General American in 1958 as associate group actuary.

Everett B. Shearburn Jr. has been promoted to director of agency services. Previously brokerage supervisor in the company's St. Louis agencies, he has been succeeded in that post by F. Austin Colony.

Mr. Shearburn joined the company in 1947 and served as agency supervisor for agencies in outstate Missouri and San Antonio before being named brokerage supervisor three years ago. Mr. Colony joined General American in 1956 as an agency management trainee and has been at Des Moines.

### American National

Mel Polzin has been promoted to assistant vice-president and assistant superintendent of industrial agencies. He has been agency supervisor at the home office.

### Commonwealth Life

David J. Matton has been promoted to 2nd vice-president in charge of group sales, and new assistant vice-presidents are Robert E. Weygant and Marcus R. Burke. Messrs. Matton and Weygant have been group sales repre-

sentatives, and Mr. Burke was administrative assistant in the sales division.

O. Travis Combs, Charles D. Eblen Jr., and Reed M. Lock have been named field management assistant vice-presidents.

### Aetna Life

Rudolph C. Larson, secretary in charge of the A&H department, has been promoted to assistant vice-president.

### Paul Revere Life

Robert L. Yackels has been named director of life sales. He had been



Robert L. Yackels

manager of New England Life at Davenport, Ia. He was 1st vice-president of Davenport Life Underwriters Assn. and secretary-treasurer of Iowa Life Underwriters Assn. and is a past president of Davenport General Agents & Managers Assn., the Quad Cities CLU chapter and of Iowa General Agents & Managers Assn.

### John Hancock

The following vice-presidents have retired:

Wendell P. Hiltabrand, vice-president of the farm mortgage department, after 37 years with John Hancock. He joined the company as a field man, later becoming farm supervisor, assistant treasurer, manager and, in 1950, 2nd vice-president.

Morris Pike, who joined John Hancock as an associate actuary and was elected 2nd vice-president in 1951. He will become an actuarial consultant in New York.

Robert D. Patterson, vice-president

of the finance department. He became assistant treasurer in 1940, 2nd vice-president in 1948 and vice-president and manager of the bond and stock department in 1954.

In the newly created policyholder relations division of the group department, Carlton E. Bennett, senior account executive, has been promoted to director of group insurance policyholder relations; Francis Johnston, manager of group policyholder service, was named assistant director, and Ronald W. Heckbert Jr., group service analyst becomes senior group service analyst.

### Manhattan Life Of N. Y.

Devan W. Read, general agent at Jackson, Miss., has been appointed



Devan W. Read

superintendent of agencies, eastern division, to succeed Anthony V. Rumolo, who has been named assistant vice-president, pension trusts. Mr. Read entered the life insurance business with Mutual Benefit Life at Jackson.

### Lincoln National

Paul Fettig has been appointed assistant vice-president in addition to present responsibilities as chief accountant.

Herman J. Rutkowski, group contract consultant, will assume the additional position of assistant secretary.

### Lutheran Brotherhood

Jerome M. Reinan has been appointed director of education to succeed D. E. Lommen, new assistant director of agencies. Mr. Reinan has been general agent at Omaha and before that at Duluth. His father, Harry E., is district manager at Blanchard, N. D.

Herbert Mohr has been named as-

sistant vice-president in the investment department. He has been with the fraternal for 25 years.

### Mutual Of New York



Claud P. Barrett

Claud P. Barrett, manager at Indianapolis, has been promoted to assistant superintendent of agencies. He joined the company as assistant manager at Knoxville.

### United Benefit Life

Dennis Eischeid has been named assistant regional director of management training and development.

William Dawson has been appointed senior training consultant and will work in life training schools as well as in agency development.

### Berkshire Life

Cyrus A. Henry Jr. has been promoted from training assistant to senior training assistant. He joined the company as an agent at Pittsfield.

### Bankers Of Nebraska

Taking the post of group sales director is Richard P. Day. He was group manager at Phoenix of Connecticut General.

### Kansas City Life

Horace W. Kimbrell has joined the company as assistant counsel. He has been assistant U.S. attorney for western Missouri.

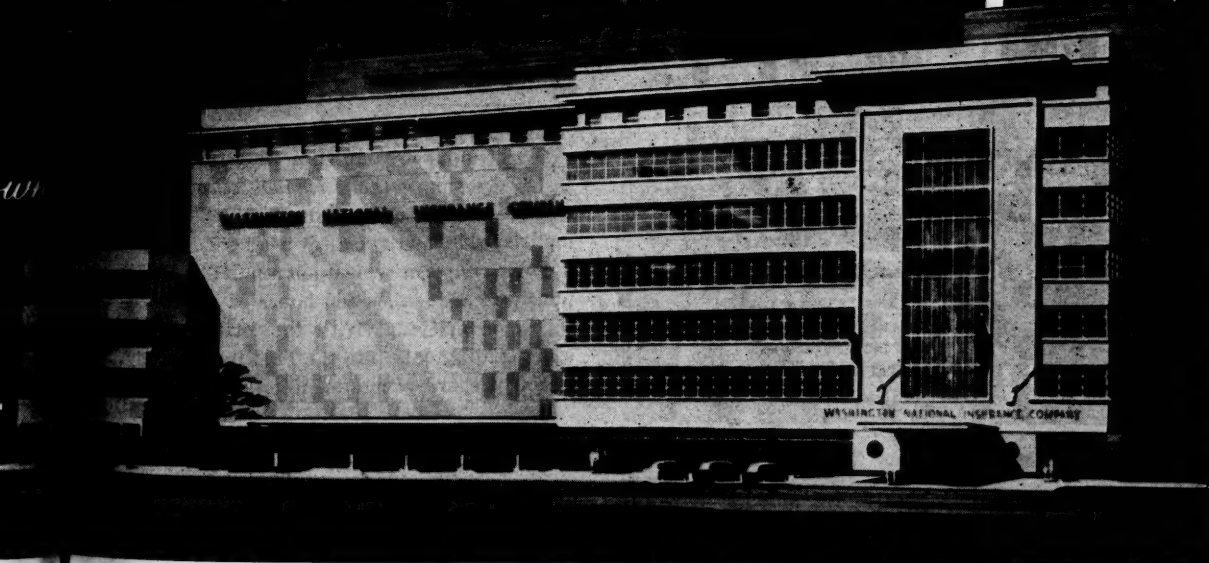
### Jefferson National

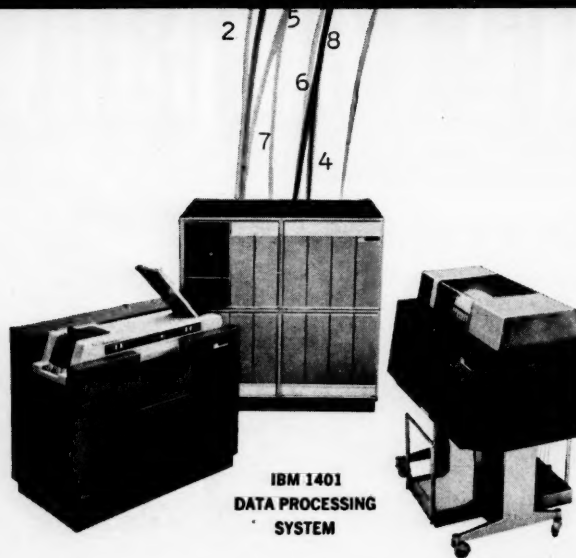
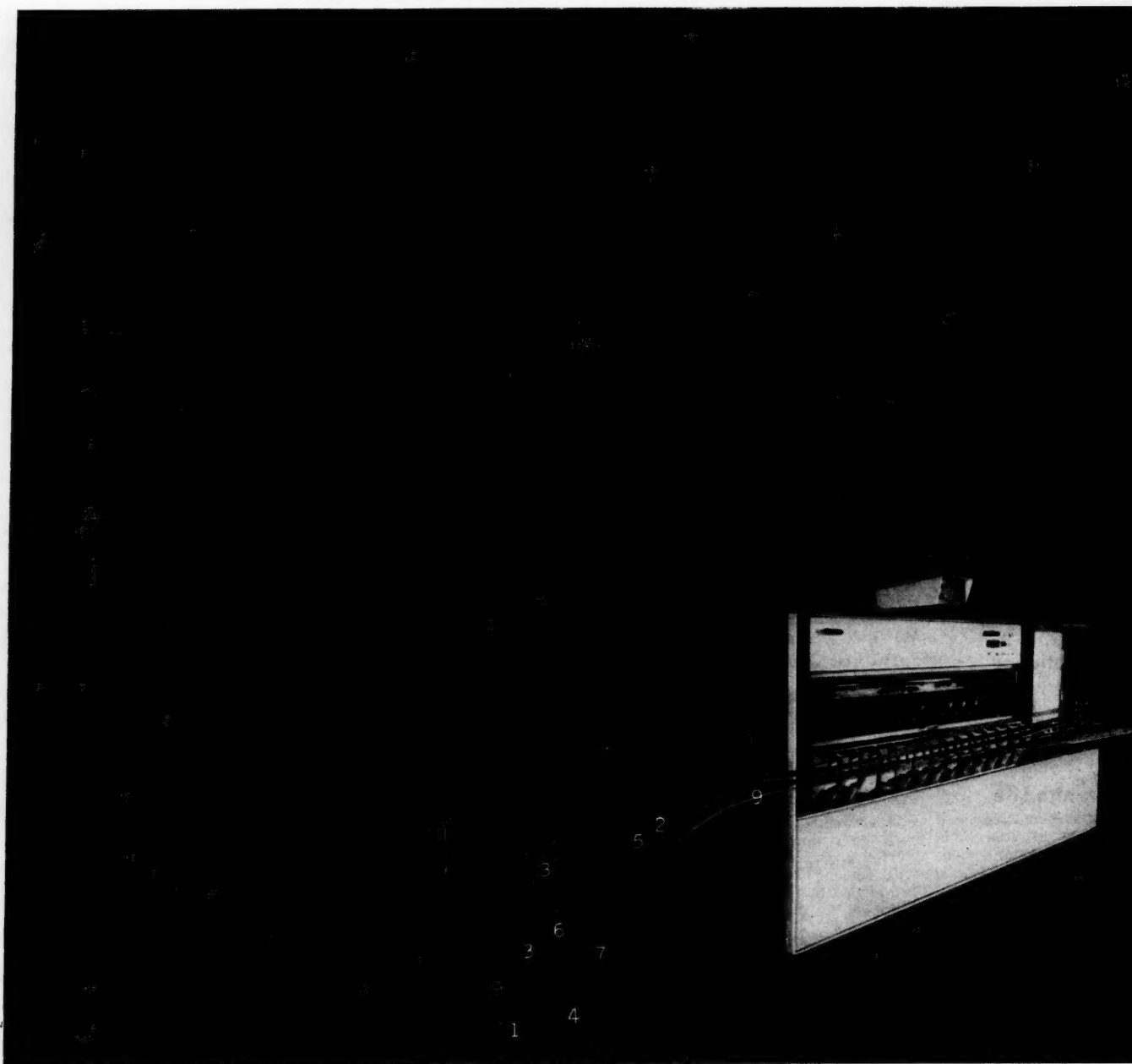
Thomas W. Wolfe has been promoted to superintendent of agencies. He has been assistant superintendent of agencies.

## Conventions

- June 19-21, American Life Convention, medical section, Homestead Hotel, Hot Springs, Va.
- June 19-30, American Life Convention, Life Officers Investment Seminar, Beloit College, Beloit, Wis.
- June 22-24, California Assn. of Life Underwriters, annual, Biltmore Hotel, Santa Barbara.
- June 24-29, Million Dollar Round Table, annual, Americana Hotel, Miami Beach.
- June 25-28, Consumer Credit Insurance Assn., annual, Sheraton Towers Hotel, Chicago.
- July 27-29, National Assn. of Life Companies, annual, Sheraton-Charles Hotel, New Orleans.
- July 30-Aug. 5, CLU Institute, University of Wisconsin, Madison.
- Aug. 13-19, CLU Institute, University of Colorado, Boulder.
- Aug. 21-23, International Federation of Commercial Travelers Insurance Organizations, annual, La Fonda Hotel, Santa Fe.
- Aug. 28-Sept. 1, National Insurance Assn., annual, Sheraton-Park Hotel, Washington, D. C.
- Sept. 17-20, International Claim Assn., annual, The Greenbrier, White Sulphur Springs, W. Va.
- Sept. 20-22, Life Insurance Advertisers Assn., annual, Sheraton-Dallas Hotel, Dallas.
- Sept. 24-29, National Assn. of Life Underwriters, annual, Denver Hilton Hotel, Denver.
- Sept. 25, Fraternal Actuarial Assn., annual, Netherland Hilton Hotel, Cincinnati.
- Sept. 25-27, Life Office Management Assn., annual, Shoreham Hotel, Washington, D. C.
- Sept. 25-27, National Fraternal Congress, annual, Netherland Hilton Hotel, Cincinnati.
- Oct. 9-10, Conference of Actuaries in Public Practice, Sheraton-Blackstone Hotel, Chicago.
- Oct. 9-13, American Life Convention, annual, Edgewater Beach Hotel, Chicago.
- Oct. 10, Insurance Economics Society, annual, Edgewater Beach Hotel, Chicago.
- Oct. 18-20, Institute of Home Office Underwriters, annual, Jung Hotel, New Orleans.

# Washington National Insurance Company





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DATA PROCESSING

## Calls Future Pay Best Inflation Hedge

(CONTINUED FROM PAGE 2)

because of the cheapening value of the dollar, if it were to come.

It's a very safe bet that the \$30,000 salary man does not now own, nor is he ever likely to own enough equities to provide him with an extra half-million dollars in capital gains to offset the presumed inflation, Mr. Wood observed.

In addition to its great size, as compared with other inflationary hedges,

a characteristic of the future pay-check as a hedge against inflation is its vulnerability. It is vulnerable mainly to the salary earner's death or disability. This brings up the third characteristic of this hedge, its insurability.

"If it is insured against premature death or prolonged disability of the income earner, it becomes a truly concrete and practical inflationary hedge," said Mr. Wood. "He will know that to the extent he has insured his

future pay-check, even if he dies his family will have added dollars with which to offset the decreasing purchasing power on each dollar. Similarly, if he is disabled, he and his family will know that they have more dollars to compensate for the lower value of each dollar.

### All Depends On Insurance

"I want to emphasize that this premier inflationary hedge (our pay-checks) is only good to the extent that it is insured. My future pay-checks may be worth a quarter-million dollars

or more, due to inflation. But if I die tonight without much life insurance the added value of my future pay-checks is 100% academic. If I am permanently and totally disabled tomorrow my future pay-checks as an inflationary hedge are worthless—unless I have them adequately insured.

"Let me emphasize: The finest most effective inflation hedge most men has value only to the extent that it is insured against the ravages of death and prolonged disability. Brains and human initiative are real assets of any family or any nation or even our nation itself. The question for each of us to determine how much our brains are worth to our family and to ourselves. The measure of our brain-worth is a true measure of the amount of insurance (death or disability) we should own.

### Most Lack Adequate Insurance

"You can't capitalize earning power with compound interest and capital gains. These can only be applied to part of our past earnings. Before I own one share of stock I must have earned some money in the past. Further, I must have saved some of the money I have earned. If I die tomorrow my general estate assets all represent past earnings. There is absolutely no relationship between these accumulated assets and my future pay-checks.

"Only through life insurance or disability insurance can my future pay-checks have reality unless I am working to earn them. If I die, my biggest inflation hedge dies with me unless I insure it. If I suffer prolonged disability my biggest inflationary hedge goes down the drain unless I insure it. Your house is insured for probably twice as much as it was 20 years ago. So is your automobile. Yet most of us are still driving a 1940 life insurance and disability plan to protect our biggest inflationary hedge."

### Favors Cash-Value Insurance

Adequate life insurance, however, does not mean buying term and investing the difference, Mr. Wood warned. He went on to list the various advantages of having the investment element contained in the life insurance policy rather than standing alone on its side.

He also pointed out that an out-of-pocket investment in equities involves a risk and it is an uninsurable risk. Further, this risk must be self-insured, for nobody will guarantee that the price of any specific stock or the stock market in general will go up or down.

"There is a fool-proof, guaranteed formula for making big money in the stock market," said Mr. Wood. "The only trouble is, nobody knows what it is."

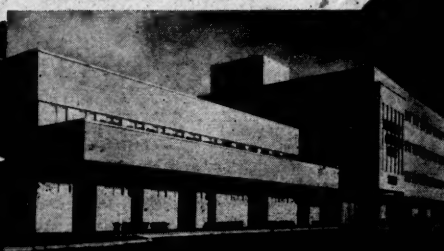
While there is no fool-proof method for investing in equities, Mr. Wood suggested starting off with a balance between equity and investment and fixed-dollar investments. From this 50-50 position, the investor can vary his mixture. For example, if he is convinced the stock market is going higher he would move up to 70% of his assets into equities and reduce his dollar investments in bank accounts and cash values to 30%. On the other hand, if he felt the market was too high and due for a fall, he would move in the other direction to a 70% position in dollars and only 30% in real estate and common stocks. He should never go 100% into equities or 100% into dollars, because he could be wrong. But at worst, he will always be at least 30% protected against his own bad judgment and can be assured of better long-range results.



Republic National Life is now in 35th place among all companies in amount of Life Insurance in Force, and in 29th place among all U. S. Companies.

We at Republic National Life have moved dramatically forward, confident in our belief that we possess a special formula for sales success. To the man gifted with that extra spark of enthusiasm and the imagination to romance the basic miracle of Life Insurance in action, we offer a sales contract with a built-in Magic Carpet to better living. In fact we dare any man big enough to fit our special pattern for sales success to find a more profitable opportunity than a sales contract with the "GO" Company.

Theo. P. Beasley  
Chairman of the Board  
and Chief Executive  
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## Commissioners Wind Up Their Annual In Flurry Of Reports

(CONTINUED FROM PAGE 1)

0,000 persons, at the Philadelphia meeting. From the standpoint of planning and organization, it was one of the best NAIC has had. Reports were printed with dispatch and distributed through three outlets. This latter feature allowed everyone to keep up to date with a minimum of effort or confusion. The arrangements committee was geared for more than it had to handle, and consequently the degree of organization was all the more remarked upon.

The social events were run off smoothly and successfully, beginning with a reception Sunday evening. The official program called only for this reception and a banquet the following evening, but there were numerous private affairs including a reception by Walter L. Hays, president American Fire & Casualty of Orlando, for the NAIC president, and a buffet luncheon sponsored by National Assn. of Insurance Agents for commissioners and invited guests.

### Day Sends Regrets

Provisions were made for full-time entertainment of the ladies, and transportation and tickets were readily available for plays and tours in the Philadelphia vicinity.

Wires were received from two invited guests to the Philadelphia meeting who could not attend—J. Edward Day, postmaster general and former Illinois director, and Donald McHugh, counsel to the Senate subcommittee on anti-trust and monopoly. Commissioner Ralph Apodaca of New Mexico, tied up with legislative chores, could not attend and sent his regrets, and best wishes were received from former Commissioner William E. Sullivan of Washington, who is on a tour of Ireland.

William H. Loeb, assistant commissioner of the U. S. Treasury Department, appeared twice before the NAIC, at the meeting of the federal liaison

committee and at the final meeting of the executive committee. His problem has to do with the practice "of certain U.S. insurers in reinsuring with directly or indirectly wholly-owned alien insurers." The Treasury Department, Mr. Loeb reported, questions whether such contracts are bona fide, whether credit should be allowed for such reinsurance. He invited the cooperation of NAIC in delving into these issues, revealing in his second appearance that he had thought originally the problem involved only the life companies, principally credit, but that he learned during the meeting that it also goes into the casualty field.

### Expresses Great Doubt

When he appeared before the executive committee, Mr. Loeb said he is "convinced the practice of ceding reinsurance to shell-type alien subsidiaries is inimical to sound insurance practices, if it is not downright dishonest." It has been indicated to him, he said, that NAIC believes it can solve the problem under state laws, and the Internal Revenue Service is happy to have such cooperation.

NAIC members will be sent information detailing a plan by which the insurance departments may obtain information about such reinsurance contracts so that they may work with the Internal Revenue Service.

Reports of the subcommittees of the life committee were received without discussion. Not until the formal agenda was finished was there any conversation; then Bruce Shepherd of LIA offered his resolution on replacement, and C. F. J. Harrington, speaking as an individual producer, objected to certain features of the sale by life companies of variable annuity contracts.

Some of the most lively conversation took place at the meeting of the subcommittee on cost plus-stop loss-loss-no claim reserve group insurance. This is a plan that is endorsed by Lin-

coln National Life primarily and opposed by some of the eastern companies. It has been under study by NAIC since December, 1960, when this subcommittee was appointed especially for that purpose.

A hearing was held in Omaha in April at which a number of industry people appeared.

The report points out that the principal difference in this plan from regular group insurance is that the insurer does not require payment of an adequate premium in advance to cover expected losses but accepts a smaller advance premium or even no advance premium in return for a promise by the insured employer to make further payment after losses have been paid. The amount of the payment, in some of the proposals, is limited to the actual amount of claims paid plus an addition for expenses but with no advance payment to cover expected losses and no advance payment to cover incurred losses not settled.

The subcommittee studied six as-

pects of this type of group coverage, noting that in regard to some of the questions "there have been divergent viewpoints presented to the committee as to the course of action which the insurance company should be permitted to take."

### Six Questions Raised.

The questions under consideration were:

1. Under what conditions and subject to what limitations should such plans be permitted, if at all?
2. What reserves should the insurance company hold?
3. To what extent should the promise of the employer to reimburse the company for incurred claims or to make other retroactive payments be accepted as an admitted asset?
4. Should the employer be permitted to hold contributions of employees without transmitting them to the insurance company?
5. Would the use of such plans encourage misrepresentation to such an extent that their use should be restricted?
6. Would the selection by the in-

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insurance company of employers to whom such plans may be offered and the refusal of the company to offer such plans to other employers, or the imposition of special requirements in connection with plans offered to some employers involve unfair discrimination?

Further study and fact finding will be required before the subcommittee can make specific recommendations, it said in its report. Certain segments of the public would like to be heard, it is understood, and the committee will report again in December, feeling that

"hasty action at this time may result in harmful effects to the industry and to regulatory bodies."

The variable annuities and pension plan funding subcommittee (Gerber of Illinois, chairman), as its solution to the question of the United Variable Annuities Fund plan recommended reaffirmation of the 1959 NAIC resolution which noted the sale of investment contracts which provide for benefits which take into consideration life contingencies and pooling of mortality and suggested that each state "scrutinize such business to determine whether

within the meaning of the applicable law an insurance business is being thereby done and, if so determined, take effective steps to prevent the conduct of such business without license and appropriate supervision in the public interest . . ." This was generally in line with the more or less expected response of the commissioners to the issue of whether SEC should have sole jurisdiction of the type of business George Johnson's organization is contemplating. Details of this were reported last week.

A successful conclusion to its activ-

ities was reported by the subcommittee to study minimum group life insurance rates (Smith of Pennsylvania, chairman). The subcommittee selected an effective date of Aug. 1, 1961, for promulgation of statutory requirements, except where, because of state requirements, a commissioner finds it necessary to adopt a later one. Milton Ellis of Metropolitan Life commented the subcommittee and NAIC for solving this problem.

The subcommittee on industrial mortality table study (Thacher of New York, chairman) reported that the industry advisory committee appointed last year to work with department technicians had completed its labor. Its report was received by the subcommittee but action on it was postponed until the December meeting in Dallas so that companies would have ample chance to study it. Extra copies of this report are available from William C. Brown, vice-president and actuary Colonial Life of Red Bank.

Albert Pike of Life Insurance Association called upon to give an industry report in connection with jumbo group life, said his group was not prepared but hopes to be by December. A report was planned, Mr. Pike said, but other problems conflicted and the industry people also found the jumbo group matter to be more complicated than anticipated.

C. F. J. Harrington told the commissioners of his concern with the sale of variable annuities by life companies if the assets for this side of the business are not segregated from the life business assets. What will happen to the policyholders if the company "falls on evil days?" he inquired. Mr. Harrington recommended that the laws and legislation committee be instructed to look into the legislative side of this. Gerber of Illinois responded that the laws and legislation committee that morning had decided to review variable annuity laws and compile a summary of them for the use of NAIC members.

The life committee meeting was closed on the happy note of thanks and congratulations to NAIC from N. Guertin of ALC for the passage of all but two states of the 1958 CSO mortality table in only two years since its approval. He termed this an extraordinary accomplishment which demonstrated the efficacy of NAIC.

Donald Knowlton of New Hampshire reporting as chairman of the preservation of state regulation committee, said it is understood that Sen. Thomas J. Dodd of Connecticut will take over direction of the insurance aspects of the Senate subcommittee on anti-trust and monopoly. Hearings probably will be resumed during the summer, one of the subjects understood to be in line for study is surety bonds. Also reported to be on the subcommittee's agenda are competition in the A&H field, mergers, and regulation of mail order companies.

The examinations committee, on the recommendation of Gerber of Illinois will begin development of a specific program and procedure for examina-

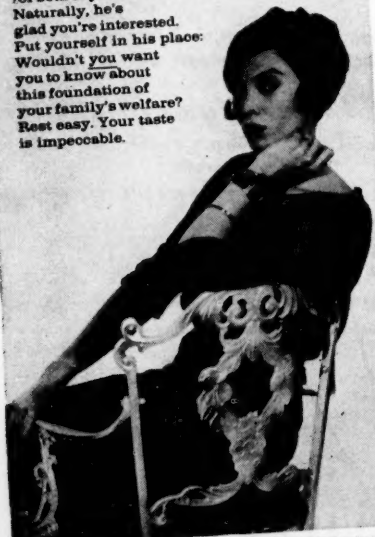
## A word to the wives

The third of our three-part program:

These ads, shown reduced, and others like them, will appear in LIFE.

### Is it in poor taste to discuss life insurance with your husband?

You were emancipated ages ago. It's downright old-fashioned to suspect an ulterior motive is showing just because your talk turns to life insurance. Truth is, your husband's policies are for him as well as for you. Cash-value policies are a steadily growing source of money he can use - for putting the youngsters through college, meeting emergencies along the way, setting up retirement income for both of you later on. Naturally, he's glad you're interested. Put yourself in his place: Wouldn't you want you to know about this foundation of your family's welfare? Rest easy. Your taste is impeccable.



Feel out of your depth when talking about life insurance? Tell us to mail you our free booklet: "A Wife Looks At Life Insurance." Write to New England Life, Dept. W-2, 501 Boylston Street, Boston 17, Mass.

#### NEW ENGLAND LIFE

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY. FOUNDER OF MUTUAL LIFE INSURANCE IN AMERICA IN 1835. ALL FORMS OF INDIVIDUAL AND GROUP LIFE INSURANCE, ANNUITIES AND PENSIONS, GROUP HEALTH COVERAGES.

Is it selfish to encourage your husband to buy more life insurance?



Is it selfish to urge him to watch his weight or wear rubbers when it rains? New England Life's cash-value policies are for him as well as for you. They give him cash on hand when he or the family needs it - to help pay for the children's education, to take care of emergencies, to set up steady retirement income when you're both ready to take it easy. He wants you - expects you - to be interested. (Do you feel out of your depth when talking about life insurance? Tell us to mail you our free booklet: "A Wife Looks at Life Insurance". Write New England Life, Dept. L-4, 501 Boylston Street, Boston 17, Mass.)

#### NEW ENGLAND LIFE

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY. FOUNDER OF MUTUAL LIFE INSURANCE IN AMERICA IN 1835. ALL FORMS OF INDIVIDUAL AND GROUP LIFE INSURANCE, ANNUITIES AND PENSIONS, GROUP HEALTH COVERAGES.

This refreshingly different advertising allows us to speak in a relaxed, good-humored way - without in any way compromising the seriousness of our subject. We can recognize a wife's natural reluctance even to consider life insurance and illustrate why that reluctance is illogical.

Note how we overcome this initial objection by speaking directly to the wife in her own language. Then we can go on to discuss some of the advantages of cash-value life insurance as a financial way of life for the whole family - including her husband. Incidentally, we expect he'll read these ads, too.

By now you probably recognize that this advertising suggests a fresh approach to the young family market, and a disarming way to set up and open an interview.

## NEW ENGLAND LIFE

New England Mutual Life Insurance Company: Founder of Mutual Life Insurance in America in 1835. All forms of individual and group life insurance, annuities and pensions, group health coverages.

## Service Guide

CONFIDENTIAL NEGOTIATIONS FOR SALE OF INSURANCE COMPANIES

Ralph F. Colton

30 N. LaSalle St.

Chicago 2, Ill.

Financial 6-9792



17, 1961

The accident and health committee, which a few years ago was the big draw at NAIC meetings, held an uneventful session with Deputy Commissioner Ralph R. Cadle presiding for Jack D. Cravey of Georgia. The only noteworthy item was the definition of "hospital." A subcommittee will be established to study this, and another subcommittee will be established to study the relationship of podiatry with the insurance industry.

## Executive Committee Problems

The executive committee was given the problem by Superintendent Thacher of New York of recommending establishment of a special committee to look into the problems of state supervisory agencies and all segments of insurance in the event of a general war, including mass nuclear attack. Mr. Thacher, in a letter to Chairman Hayes of the executive committee, pointed out that the national plan for civil defense and defense mobilization apparently gives little consideration to insurance. The letter outlined four main areas to be considered.

Mr. Thacher supplied another executive committee item, a check for \$732, the balance remaining from the 1942 year meeting in New York, which he suggested be used for expansion of the activities of the executive secretary's office. The executive committee referred this suggestion to the subcommittee for the study of operations and financing of the executive secretary's office and this subcommittee will report six months hence.

The fraternal committee, which for the past few years has been largely

## (CONTINUED FROM PAGE 4)

tional; R. L. Whaley, Prudential; P. E. Martin, Ohio National; W. R. Joyce, Imperial Life; G. W. Wilson, Sun Life of Canada, and Norman Brodie, Equitable Society, each described studies of their company's age 0 mortality experience. They generally expressed interest in liberalization of the amount of insurance in the first year of life under 1958 CSO, using adequate underwriting safeguards.

Hugh McLeod, Sun Life of Canada, presided during the session on employee benefit plans. J. B. MacDonald, Crown Life, stated that termination ratios for group insurance policies covering less than 25 lives were higher than corresponding ratios for larger policies. Relative to the larger cases, small group life cases showed better persistency than small group health cases. He suggested that part of the better persistency on small group life cases may be due to the availability of larger amounts of life insurance on individual lives, but more important are the less frequent rate increases on life coverages. The experience on smaller groups has been satisfactory in other respects.

R. D. Baldwin, Sun Life of Canada; A. M. Bayly, London Life; and W. A. Allison, Confederation Life, agreed that lapse ratios on small group policies exceeded that for larger policies. Mr. Allison indicated growth of small

inactive, now has a subcommittee investigating operations of fraternal societies, with most of the attention going to suggested additional interrogatories for the annual statement. The fraternal people indicated they don't object to the questions, but they feel they should not be asked in the annual statement.

The subcommittee will give further study to the language of the questions and to the point raised by the fraternal representatives that another place be found for the interrogatories.

policies tended to offset higher lapses. Mr. Baldwin also pointed up the problem of protecting the employee who is not actually at work when a group switches insurers and expressed hope that this type of problem would be solved before threat of restrictive governmental legislation.

### Effect On Loss Ratios

J. M. Gill, Confederation Life, opened the discussion of the effect on loss ratios of major medical plans of the Provincial Hospital Plans in Canada. Although experience has been of short duration, it appears the introduction of the governmental plans will tend to increase loss ratios of insurers. He also remarked on the problems of integrating private plans with the governmental plans. Despite the reduction of coverage in the hospital area, his company has been able to maintain its premium volume in group health insurance. No firm conclusion was reached regarding the effect on loss ratios of the governmental plans, but each speaker indicated that pre-

mium volume of the insurers had been maintained.

A. C. M. Robertson, Sun Life of Canada; J. M. MacDonald, Crown Life; F. W. Biese, Metropolitan, and Mr. Gill discussed deductible and coinsurance provisions under major medical expense plans. There was general agreement that the most common deductible was \$50 and the coinsurance percentage assumed by the insured was either 20 or 25%. Deductibles varying by salary were not common. The speakers noted the increased popularity of the family deductible and summarized the problems relating to this benefit. The most common maximum limit on major medical plans appears to be \$5,000. However, there is increasing pressure to underwrite higher limits.

F. E. Smith, North American Life of Canada, noted that as a result of recent Canadian legislation a number of companies have already established separate investment accounts for use with pension plans based variously on common stocks, NHA mortgages, conventional mortgages and corporate and government bonds. Policies now being developed include mortality and

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## 90 YEARS OF PUBLIC SERVICE

With 150 branch offices in North America, Sun Life of Canada offers the finest of life insurance protection to the holders of more than two million policies and group certificates.

**SUN LIFE  
ASSURANCE  
COMPANY  
OF CANADA**

*One of the great life insurance companies of the world*

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**THE PRODUCER SHOULD BE  
AWARDED A GREATER  
PERCENTAGE OF COMMISSIONS  
FOR LARGER PRODUCTION!**

**W. Blair Bendell, Agency Builder,  
All American Life & Casualty Company,  
believes in this philosophy**

**All American offers you an unbeatable opportunity to build a business of your own.**

**Find out today why over 750 men have joined the dynamic All American team that is setting such talked about sales records. Write E. E. Ballard, President.**

## ALL AMERICAN

*Life & Casualty Company*

505 PARK PLACE • ALL AMERICAN BLDG.  
PARK RIDGE, ILLINOIS

**12 months' record of  
W. B. Bendell\*  
Minneapolis, Minnesota**

- First Year Paid Premiums \$69,308.58
- 9 full time representatives
- Earnings in five figures

**\*Joined All American  
April 15, 1957**



expense guarantees but no interest or capital guarantees.

G. G. Cameron, London Life, mentioned that his company has entered the field with a series of group investment contracts which range from a stripped-down variety including investment services and guaranteed annuity purchase rates to a comprehensive package providing, in addition, employee administration and actuarial services. L. E. Coward, William M. Mercer, Ltd., wondered whether there was really going to be any minimum insurance element in this newly emerging group contract and went on to suggest the possible reaction of trust companies in the direction of "pooled annuitant funds."

#### Notes Drifting Tendency

C. G. White, Metropolitan, indicated that insurance companies seemed to be drifting more and more outside the insurance domain into the broker's and banker's area, while N. G. Kirkland, Hobbs Savill & Bradford Ltd., consulting actuaries, congratulated the insurance companies in their recent efforts. Among the problems in the

U.S. in implementing legislation of this type, L. R. Martin Jr., Aetna, cited the questions of regulation by the S.E.C., approval by the state insurance departments and taxation of these special investment accounts for the pension plans involved.

#### True Guarantees Questioned

C. M. Siegel, Pension Trust Advisory Service, asked a question somewhat similar to that posed earlier by Mr. Coward: Whether there are really any true insurance guarantees in an equity fund. In discussing the question of the relative competitive position of insured and trustee plans, Mr. Link remarked that he had never seen a properly prepared comparison of actual net income results which would support the popular notion that trusts offer better opportunities for higher yields than do insurance companies.

Society Vice-President, Victor E. Henningsen, Northwestern Mutual, presided over the discussion on marketing trends and interest. Opening the discussions on marketing trends, F. P. Chapman, Metropolitan, stated that the average premium of his com-

pany in 1960 was \$25 per \$1,000, an increase over the preceding year of 23%. John F. Ryan, New York Life, reported an increase in average premium of 50 cents per \$1,000 over the last three years and outlined a program to regain a larger share of the savings dollar. E. R. Benedict, John Hancock, said the variable concept of savings must be made available by the companies. R. M. Sellers, Commonwealth Life, pointed out that expenses must be spread over a broader base to compete successfully for the savings dollar. M. C. Pryce, London Life, commented that there appeared to be very little demand for group annuities in Canada. Pearce Shepherd remarked that he does not think it advisable for a company to have two commission scales in order to provide larger early cash values for one series of policies.

#### Discuss Care For Aged

The discussion of medical care for the aged, long term disability benefits, and public employee pension funds was presided over by Society Vice-President Wendell A. Milliman of Milliman & Robertson, consulting actuaries. In discussing the effect on private insurance of U.S. legislation to finance the cost of medical care for the aged, C. N. Walker, Lincoln National, said "the Kerr-Mills approach is complementary to our efforts while other approaches represent governmental encroachment which will stifle progress by private industry." L. M. Dorn, New York Life, gave reasons why long-term disability benefits should be provided in separate policies rather than as a supplement to life policies and described various disability policies offered by his company.

James Hunter, Continental Life of Canada, was chairman of the smaller company forum. Speaking on rates and values, Elgin Batho, Berkshire Life, outlined reasons for adopting cash values in excess of the minimum and discussed the adoption of the CET table and graduation of premiums by sex. J. G. Bruce, Hartford Life, discussed the theoretical aspects of cash value determination and adoption of the CET table and expressed the belief that a delayed change-over to the 1958 CSO table would enable a more thorough job of revision.

#### Speak On Pension Trusts

Speaking on pension trusts were Derek Eckersley, Dominion Life; Waid Davidson Jr., United States Life; A. U. Lyburn, Standard Life of Canada; S. H. Cooper, Excelsior Life, and H. I. MacIntosh, Equitable Life of Canada.

Speaking on reinsurance, W. H. Aitken, Empire Life, favored the idea of adopting excess claims reinsurance so as to increase the company's retention limit, and described his company's recapture program to clear up small amounts of reinsurance. Brian Burnell, Mercantile & General, discussed advantages of utilizing the services of a professional reinsurer as opposed to reciprocal reinsurance by agency companies. H. L. Feay, E. P. Higgins & Co., consulting actuaries, expressed the belief that reinsurers would make non-proportional reinsurance available if the direct companies were to press for its adoption.

#### Favors Restriction

In discussing the extent to which a smaller company should try to offer the wide variety of special forms of policies currently being issued, G. F. N. Smith, Sovereign Life, felt that these should be restricted as far as possible to those which could be expected to produce a worthwhile vol-

ume of business. S. W. Boyle, Industrial Life suggested the need for smaller company to be alive to possibility of introducing some special plan uniquely suited to its own requirements.

G. R. Wallace, Continental Life Canada, stated that his company preferred to avoid copying plans brought out by the larger companies and develop special policies fitted to own needs thereby giving greater advantages to their field force. H. Blakeman, Empire Life, believes there is frequently an advantage the smaller company in leaving expenses of developing new policies to the larger companies and designing its sales approach instead cover a limited range of markets.

#### Favors Adjusting Contracts

On conservation, Mr. Smith felt special bonuses in agents' contracts had little effect in encouraging persistency and that more satisfactory results were obtained by adjusting management contracts instead to allow for this. Wallace pointed out that a persistency bonus clause in his company's agent contracts had had a similar lack of effect. Mr. Blakeman felt that his company's persistency bonus scheme had had a beneficial effect. J. C. Bertram, State Capital, stressed the limitation of control by remuneration and formed careful selection, and training and less pressure for new business. E. Martin, Ohio National, felt that factors other than remuneration were more important and described the operation of his company's conservation committee.



## house of original ideas

The pride a Bankerslifeman feels in the company he represents stems in very large measure from the reputation his company has earned over the years for the introduction of really original ideas in the life insurance business. He is proud to say he was the first to carry the now popular *Guaranteed Purchase Option*, the *Cradle Protection* plan and the *Wife Protection Rider* in his brief case. Carefully chosen and thoroughly trained, the typical Bankerslifeman has *service* as his watchword. This means that his professional presentation of the new ideas from his company will see to it that his clientele gets optimum benefits from "The Company That Fits The Need."

**BANKERS Life COMPANY**  
DES MOINES, IOWA

## ACTUARIES

**Alvin Borchardt & Company**  
CONSULTING ACTUARIES  
= AND =  
INSURANCE ACCOUNTANTS  
Detroit Atlanta

**BOWLES, ANDREWS & TOWNE, Inc.**  
ACTUARIES  
MANAGEMENT CONSULTANTS  
LIFE-FIRE-CASUALTY  
EMPLOYEE BENEFIT PLANS  
RICHMOND ATLANTA NEW YORK  
PORTLAND DALLAS MIAMI

**Haight, Davis & Haight, Inc.**  
Consulting Actuaries  
Insurance-Pensions  
2801 North Meridian St. 5002 Dodge St.  
Indianapolis 8, Ind. Omaha 32, Neb.

**E. P. HIGGINS & COMPANY**  
Consulting Actuaries  
Auditors and Accountants  
Pension Consultants  
Bourse Building Philadelphia 6, Pa.

**W. MURDOCH STEWART, F.S.A.**  
CONSULTING ACTUARY  
INSURANCE - PENSIONS  
201 North Wells Street  
Chicago 6, Illinois  
Telephone: Central 4-4558

**HARRY S. TRESSEL & ASSOCIATES**  
Consulting Actuaries  
Insurance-Pensions  
10 South La Salle Street  
Chicago 3, Illinois  
FRanklin 2-4620



## Robert Neal Named A&H Man Of The Year

(CONTINUED FROM PAGE 2)

Ernst, North American Life & Casualty; Travis T. Wallace, Great American; William B. Cornett, Prudential; and S. L. Horman, Time of Milwaukee.

The award was presented by Albert Wohlers, Gore-Youngberg-Carlson Co., Chicago, chairman of the award committee.

Nine distinguished veterans of the A&S business were given special recognition in the form of honorary awards for long standing service to the

### Finnegan President Of Milwaukee Health Assn.

Robert Finnegan, Mutual of Omaha, has been elected president of Health Insurance Underwriters of Milwaukee, succeeding J. H. Doolan, America Fore Loyalty group. Other new officers are John F. McGinnis, American Casualty, executive vice-president; James W. Carvalia, Continental Casualty, vice-president; Donald Morrissey, America Fore Loyalty group, secretary, and Robert Stafford, Stafford agency, treasurer. Mr. Finnegan is also president of Wisconsin Assn. of Health Underwriters.

Service awards were presented to Alex H. Siegner and Robert Morris for their work in organizing the group's Christmas parties for orphans.

### Suit Dropped By Marcus For Return Of Recording

A suit in superior court at Chicago against Dan A. Kaufman, general agent Northwestern Mutual Life, Evanston, Ill., and Chicago Life Agency Managers for surrender of a tape recording has been dismissed on motion of the plaintiff—Michael D. Marcus of Chicago.

Mr. Marcus, who heads his own investment and counselling firm under his name, is an attorney, an insurance broker and chairman of Bank of Bellwood, Ill., was one of the members of a panel on retirement appearing before a meeting of Chicago Dental Assn.

His talk was taped by at least three recorders, none belonging to or arranged for by the defendants. Mr. Marcus said he had been informed that Mr. Kaufman and the life managers association, or both, would edit the recording in question "so as to change the intent and meaning of . . . statements so as to seriously damage his reputation and standing and to bring him into ill repute." At the first hearing, a temporary injunction against Life Agency Managers was denied. This was followed by one or two postponements for one reason or another, followed by the motion for dismissal by plaintiff.

### Scholarship Awards Made By Bankers National Life

Bankers National Life scholarships to graduates of Verona, N.J., High School have been awarded to Kay Akesson and John Davis. A.C. Windolf, vice-president and treasurer of Bankers National presented the awards, \$250 each, at the high school awards assembly and was host to the winners at lunch at the home office.

Mr. Windolf also presented \$25 mathematics prizes from Bankers National to Joan Havekotte of the graduating class, Elizabeth D. Leuchter of the junior class and to Alan S. Weinstein and Norman H. Lowenthal of the sophomore class.

industry. Those honored were Wallace L. Clapp, vice-president-associate editor the Eastern Underwriter magazine; Emerson Davis, Dallas general agent of Inter-Ocean; H. O. Fishback Jr., vice-president Northern Life; Gilbert H. Knight, Cleveland general agent of Federal Life & Casualty; Dwight Mead, former Seattle general agent of Pacific Mutual Life; Frank H. Nutter, Charleston, W. Va., general agent of Kentucky Central L. & A.; C. O. Pauley, former managing director Health & Accident Underwriters Conference; Frank A. Post, associate editor of Employee Benefit Plan Review magazine; and Armand Sommer, Continental Casualty.

### Wohlers Makes Presentation

The presentation was one of the highlights of the IAHU convention. Mr. Wohlers made the presentations. He said the combined experience and service of the group amounted to over 300 years.

Mr. Clapp joined the Eastern Underwriter in 1924. He was important in bringing editorial focus to the formation of IAHU in 1930. He has personally reported each convention since that time and last year wrote the 30th anniversary history of the organization.

Mr. Davis entered insurance in 1919 as a solicitor. He has been general agent, regional manager, and home office agency director. He is Texas state agent for Inter-Ocean and general agent for Combined.

Mr. Fishback started his career as an agent with Pacific Mutual in 1913. In 1919 he was made chief examiner for the Washington insurance department. His later career saw him as vice-president and actuary of United Pacific Life. In 1932 he was made assistant vice-president at Northern Life where he is now a senior vice-president.

Mr. Knight entered the insurance business at London, Ontario, in 1907. He helped form the first local A&H association in Cleveland in 1913. He served on the IAHU board and as its president in 1947-48.

### In Business Since 1905

Mr. Mead, who has just celebrated his 80th birthday, entered the life insurance business in 1905. He was active in life insurance trade association circles and served as president of many local organizations. He headed Pacific Mutual's agency in Seattle where he became interested in health insurance. In 1928 he helped form the Seattle A&H managers club and became its first president. He was active in the early development of the IAHU; in 1932 was elected vice-president and in 1935 he became president at the Detroit convention.

Mr. Nutter has been a leader in West Virginia throughout the history of the health insurance association movement there. He has served as secretary of the state association since it was founded. As general agent for Kentucky Central L. & A. he has been actively engaged in the life and disability insurance business for more than 15 years.

Mr. Pauley's career has carried him through six decades of company and trade association management. He be-

came secretary-treasurer of Central Business Men's Assn. in 1914. He went with Great Northern Life as secretary and was made managing director of H. & A. Underwriters Conference in 1949 following the death of Harold Gordon.

Frank Post started in daily newspaper work at the turn of the century.

He joined THE NATIONAL UNDERWRITER in 1919 and was its associate editor until 1953 when he retired. During that period he was also editor of the Accident & Sickness Review. This magazine at one time served IAHU as the official

trade association journal. After his retirement from the National Underwriter Co., Mr. Post joined Charles Spencer & Associates, publishers of Employee Benefit Plan Review magazine. Since 1954 he has been associate editor of this publication.

Mr. Sommer is also a former president of IAHU. He began his insurance career with Standard Accident. He later moved to Southern Surety and during the depression years joined Continental Casualty. He developed the intermediate division to a leading individual insurance division.

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

### MID-WEST AGENCY OPPORTUNITY

. . . for qualified man with supervisory experience to manage established Life agency of progressive eastern company. Includes all lines of Life, Health and Group coverage. Unique financing and training program for agents. If you have field and supervisory experience and believe you are ready for your own agency, write giving complete resume of your background. Your reply will be kept in strict confidence. Reply to Y-74, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### ACTUARIES

A dynamic, rapidly expanding insurance group writing Life and Accident and Health insurance nationally, has openings for:

#### A & H ACTUARY

Require at least Associateship standing in the Society of actuaries with practical experience in the Accident & Health field.

#### ACTUARIAL STUDENT

Require successful completion of at least parts 2 and 3 of the actuarial exam.

These positions offer job satisfaction, personal growth, challenging opportunity, and very attractive salaries. Send complete resume of background, salary requirement, and experience to—Y-91, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

All replies will be acknowledged and held confidential. Our employees have been informed of this ad.

### AGENCY OPPORTUNITY AT HOME OFFICE LEVEL

A top New York Company has a Home Office position for a qualified and experienced man. The man selected will head-up our Ordinary Insurance Department and will recruit and train prospective General Agents. Full support and assistance will be given to him who has proved himself in this capacity. Write and give a complete resume of your background, experience and salary desired. Your response will be treated confidentially. Reply to: NY-65, The National Underwriter, 17 John St., New York 38, N. Y.

### GROUP SALES OPPORTUNITY

Large southeastern life company desires experienced group salesman to manage group office in Dallas serving northern Texas and Oklahoma.

Liberal fringe benefit plans—company car—unlimited earnings potential.

Send summary of group sales experience to: Box Y-75, National Underwriter, 175 West Jackson Boulevard, Chicago 4, Illinois.

### TOP MGMT.

fast moving, dynamic life insurance company seeking top management. Tremendous opportunity for a qualified person, preferably with actuarial background. Must have some administrative experience. Replies held in strictest confidence. Write to Y-70, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### ACTUARIAL OPPORTUNITY

In the insurance center of the nation to direct all actuarial work, except administration of fire and casualty rating laws, and to act as technical advisor to the State Insurance Commissioner on actuarial and related problems. This challenging position offers an exceptional opportunity for service, satisfaction and individual development.

Must be a fellow in the Society of Actuaries, OR have graduation from college plus 6 years' employment of a responsible and technical nature in actuarial work OR have 10 years' of such employment. Salary Range \$10,080-\$12,360 yr.

Send Resume to Robert G. Mack, Chief of Recruitment, State Personnel Department, State Office Building, Hartford, Connecticut.

### OVERSEAS AGENTS WANTED YOUR CHANCE TO SEE EUROPE AND MAKE MONEY

A large American Life Insurance Agency with offices in Switzerland, Germany, France, England, Italy and Spain, selling to American military personnel, their dependents and civilians, has opening for a LIMITED number of EXPERIENCED life insurance salesmen. Several of present agents in Europe selling 2 to 3 MILLION a year. (Those remaining outside of U.S. 18 months or longer enjoy special U.S. tax advantage). Accepted applicants will be offered Top Contract, Fringe Benefits, Training and Financing. For further details send complete resume and small photo in confidence to Walter J. Bush, Manager, Bush International Life Insurance Agency, 727 East North Ave., Phoenix, Arizona. Overseas office address: 241 See Strasse, Zurich, Switzerland.

### LIFE UNDERWRITER

Large life company located in Southwest has opening for life underwriter with five to ten years experience. Excellent opportunity for the right man.

Salary open.

Write, giving details on education, experience, including present underwriting limits and salary requirements. Address reply to Y-78, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANT TO BUY INSURANCE COMPANY

Substantial investment group wishes to purchase stock of active life insurance company, retain management. Median six figures. Principals only. Write Box Y-85, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### UNDERWRITER AND OFFICE MANAGER

Opportunity for young man with newly established midwestern life insurance company. Over one million dollars of insurance issued in first two months of operation. New office space provides excellent working conditions. At least two years previous experience is desired. Write Y-86, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### AVAILABLE—SALES MANAGER

15 years experience Multiple line—including life. Also claims & Underwriting background. Under age 40. Willing to relocate. Presently successfully employed.

Write Y-59, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## Editorial Comment

### Section 213: The Next To Fall?

The New York court of appeals decision holding that an out-of-state life company doesn't forfeit its New York license by acquiring control of a fire-casualty insurer was a stunning blow to the Empire State's emperor-like arrogation of extraterritorial powers over the activities of insurers domiciled in other states.

The decision can hardly help generating speculation about the chances of further breaking down New York's long-standing and generally effective use of the license cancellation club on any insurer that might want to go against New York laws in its operations in other jurisdictions. In fact, the statement made by Connecticut General Life on winning the court of appeals decision after losing twice in the lower courts may well be prophetic on this point. Said the company: "If state regulation is to survive, New York (and other states) cannot regulate out-of-state insurance companies as to matters wholly unrelated to the protection of citizens of the state."

Of the various ways in which New York regulates out-of-state insurers probably the most galling is the life insurance expense limitation, the famous section 213. It means that all companies, whether domestic or out-of-state, must follow the New York expense limitation wherever they operate. Thus, in most areas where they operate, such companies have a built-in handicap in competing with companies that are not privileged to operate in New York.

The court of appeals majority opinion held that the superintendent's interpretation of the law so as to bar Connecticut General's investment in the controlling interest of a fire-casualty company would tend to unduly interfere with the internal affairs of an out-of-state insurer. But what about a law dictating commission ceilings and making no allowance for alternative methods of assuring the protection of New York citizens? Doesn't that interfere even more than denying ownership of a fire-casualty insurer?

The New York acquisition cost law

has kept many fine life companies from attempting to get New York licenses. Some of them have had to form separate New York subsidiaries so as to comply with the New York law while still keeping their commission schedules intact in other states. Such a hard choice should not be necessary. Legitimate and effective means could be found for protecting New York policyholders against company insolvency without going to the present extreme of dictating the maximum commissions a Pennsylvania company, for example, can pay to an agent in Illinois.

The basic arrogance of imposing this kind of extraterritorial control over out-of-state companies in their non-New York operations should not divert attention from what we believe to be the essential wrongness of the New York kind of acquisition cost controls even when confined to New York sales. We've said it before, but we'll say it again: Safeguards to company solvency are necessary in the public interest, but the kind of paternalism embodied in some parts of section 213 is unwarranted. It has been responsible for preventing the sale of billions of dollars of protection to men who needed it desperately but who were avoided by agents because of the smallness of the commission potential in the low-to-middle income market.

New York says, in effect, to its citizens: "You're going to buy your life insurance cheap or you're not going to buy it at all." The pity is that so frequently this well intended cost restricting law works out to no sale. To believe that letting commissions find their own level through net cost competition would bring on an all-out bidding up of commissions seems absurd. Many companies don't even pay the maximum permitted by section 213. But there are other companies that could and would develop a lot of business in what now is considered a marginal market if they could pay agents enough commissions to make this market worth developing. Even though buyers in this market are

probably less net-cost-conscious than the bigger purchasers, companies would still have to keep commissions and premium rates within reason or else find themselves priced out of the market.

The important thing is to get more life insurance sold—particularly among those who need it most and are the least likely to have anywhere near enough. There's small satisfaction to a widow left with little or no insurance to know that the coverage her late husband didn't buy would have been real cheap—if it had been worth an agent's while to sell it to him.

To come back to the court of appeals decision in the Connecticut General case, the statement of the majority of the judges about interfering with internal affairs of an out-of-state insurer makes it seem more than likely that somebody will ask the court what it thinks about a law that says, in effect, "No matter what solvency safeguards you may set up, you can't pay more than the New York commission scales anywhere in the world."

—R. B. M.

## Personals

Harold J. Cummings, president of Minnesota Mutual, received an honorary doctor of laws degree at commencement ceremonies at Creighton University, Omaha. He delivered the commencement address. Two of his sons are graduates of the school.

Malcolm M. Teare, president of the H. Malcolm Teare agency, general agent of Continental Assurance at New York, has been elected president of the Young Men's Board of Trade of the New York City Junior Chamber of Commerce.

Clifton A. Follansbee, associate director of the bureau of publications of John Hancock, has been elected a director of the Advertising Club of Boston.

Dr. Elizabeth Maclean, daughter of Joseph B. Maclean, retired vice-president and chief actuary of Mutual of New York, has been appointed assistant professor in the departments of biology and biochemistry of Brandeis University, Waltham, Mass. She will be in charge of the electron microscopy laboratory. She has been an instructor in the biology department of Massa-

chusetts Institute of Technology. Maclean's parents live at Yarmouth Port, Mass.

## Deaths

**WILLIAM N. VAN CAMP**, 85, former commissioner of South Dakota, died at Pierre, S.D. He served in the South Dakota legislature from 1910 to 1918 when he became commissioner. A post he held until 1926. He established the W.N. Van Camp general insurance agency at Pierre and operated it until his retirement in 1952.

**ERWIN H. NEWMAN**, 53, senior vice-president of Federal L.&C., died of an apparent coronary attack. He started in insurance with Zurich American in 1929, leaving that company in 1945 to go with Great-West Life as superintendent of group insurance. He has been in charge of the Federal L.&C. group division since 1954, when he joined the company to organize the department.

**JAMES M. BLAKE**, 83, retired manager of field services of Massachusetts Mutual, died at Springfield Hospital. He entered the life business in 1910 and four years later joined Massachusetts Mutual as an agent at Baltimore, later becoming co-general agent of Philadelphia. He became manager of field services in 1930, serving in that capacity until his retirement in 1940. During World War II he edited "Tenting Post," a magazine which was sent to company personnel in the armed forces.

## Stocks

By H. W. Cornelius of Bacon, Whipple & Co., 135 S. LaSalle Street, Chicago, June 15, 1954.

	Bid Ask
Aetna Life .....	115 1/4 116 1/4
American General .....	52 1/2 53 1/2
Beneficial Standard .....	30 1/2 31 1/2
Business Men's Assurance .....	69 1/2 70 1/2
Cal.-Western States .....	75 1/2 76 1/2
Commonwealth Life .....	39 1/2 40 1/2
Connecticut General .....	227 1/2 228 1/2
Continental Assurance .....	156 1/2 157 1/2
Franklin Life .....	123 1/2 124 1/2
Great Southern Life .....	88 1/2 89 1/2
Gulf Life .....	29 1/2 30 1/2
Jefferson Standard .....	61 1/2 62 1/2
Liberty National Life .....	68 1/2 69 1/2
Life & Casualty .....	23 1/2 24 1/2
Life of Virginia .....	88 1/2 89 1/2
Lincoln National Life .....	122 1/2 123 1/2
National L. & A. .....	170 1/2 171 1/2
North American, Ill. .....	19 1/2 20 1/2
Ohio State Life .....	49 1/2 50 1/2
Old Line Life .....	67 1/2 68 1/2
Old Republic Life .....	19 1/2 20 1/2
Republic National Life .....	69 1/2 70 1/2
Southland Life .....	104 1/2 105 1/2
Southwestern Life .....	87 1/2 88 1/2
Travelers .....	119 1/2 120 1/2
United, Ill. .....	58 1/2 59 1/2
U. S. Life .....	69 1/2 70 1/2
Washington National .....	65 1/2 66 1/2
Wisconsin National Life .....	36 1/2 37 1/2

\* Ex dividend.

### Oklahoma HO Underwriters Elect Wilhoite President

Oklahoma Home Office Life Underwriters Assn. has elected Donald Wilhoite, Mid-Western Life of Enid, president. He succeeds Helen Smith, United Founders Life.

Other officers are Peggy Storey, Standard L.&A., vice-president of membership and programs, and Bob Patton, United Founders Life, secretary-treasurer. Hersh Dunham, Credit Co., is publicity director.

## THE NATIONAL UNDERWRITER

The National Weekly Newspaper  
of Life and A&S Insurance



Published by  
The National Underwriter Co.

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## Field Management Training Neglected, Can. Officers Told

Companies have done a magnificent job training agents, said Raymond C. Johnson, marketing vice-president of New York Life, but nothing is more important to a life company that developing field management, and this job has been neglected.

Mr. Johnson's remarks were made at the annual meeting of the life agency officers' section of Canadian Life Insurance Officers Assn. at Montebello, Que. The theme of the meeting was fundamentals of agency operation.

"I am convinced that personal selling and sales management are two different careers requiring different talents and training," Mr. Johnson said. These facts are becoming increasingly clear: selling and sales management are not the same and do not call for the same skills; selling by itself seldom is adequate preparation for sales management; selling and management each requires its own specialized knowledge which takes years to master; each has become a highly specialized, almost professional job."

He said that the agent and the company should decide early which lifetime career he should follow and that this decision must be made long before the agent's income and renewal account become so large, his technical knowledge and selling skills so perfected and his clientele so extensive he cannot afford to give up personal selling. Either career offers great rewards for the man who has the proper aptitudes and interests.

Historically, he said, companies have paid little or no attention to managerial training and development. Emphasis instead was placed entirely on educating agents.

"It was almost like starting grammar schools everywhere without first organizing a college of education to train the necessary teachers," Mr. Johnson declared. "Thus lacking an organized system for such training and development, most companies simply selected the most successful agent in an agency as the new general agent or manager."

H.I. Weir, vice-president and director of agencies London Life, said that

"one of the difficulties in the way of recruiting the men we want is our not-so-good corporate image."

"The critical question is—'Does it matter very much if a company has a good or bad corporate image?' It makes all the difference! The corporate image is a reality of significance to any business concern and to every one of its shareholders, officers, and employees. The picture or the impression that the public has of a company and of its people is an influence beyond measure," he said.

Mr. Weir said: "You begin to create a good image by being a good employer and hiring the best people around you. You give your salesmen the confidence that comes with knowing that top management, sales executives and field managers are tremendously interested in them and in their every activity of every day. You should keep your people happy by using every known technique of good employee relations, and by adding a strong dash of admiration for talent wherever it shows itself."

A good corporate image is also important, he said, because with the right reputation or image, a company will attract high-grade talent. Men and women who are themselves aggressive, capable, honest, and fair, will be drawn to a company which respects these virtues.

M.K. Kenny, general manager Excelsior Life, said that the industry should stress the guaranteed values of its product. He said that it was the guarantee in life insurance that justified faith in it and has set it apart as something rare and unique.

He listed a number of guarantees that set life insurance apart:

Guaranteed protection against the loss of income; unconditional guaranteed values; guaranteed amount of income provided under settlement options; guarantees made at the time of purchase can run as long as 100 years; cash value is available at all times for withdrawal, it is 100% liquid and there is a long term guaranteed reasonable rate of return; a sum up to the guaranteed amount may be borrowed without the necessity of establishing credit and with no danger of having the loan called.

"And life insurance is still the only plan that guarantees a known sum at an unknown time," he said.

## National Of Canada Forms Unit For Split-Funding Corporate Pension Plans

National Life of Canada has formed National Equities Fund, which will provide facilities for the investment of corporate pension funds in common stocks. In establishing the fund, National is taking advantage of the recent amendment to the Canadian and British insurance companies act which permits life companies in Canada to segregate certain assets with no restriction on what percentage of such funds may be invested in common stock.

With the new facilities an employer may establish a split-funded plan under one contract, with part of the pension monies placed in an insured plan and part in common stocks. Under National's plan a wide degree of flexibility will be permitted in the split between the two funds.

The Pennsylvania legislature has amended the school code to provide that teachers who double as insurance agents may no longer sell to their own school boards.

## Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valteau & Co., Board of Trade Building, Chicago

Fire-casualty stocks continued to recover from the setback that was brought on by sorry underwriting results for the first quarter. Connecticut General's court victory over the New York insurance department after a 5½-year struggle focused interest on companies that might be candidates for take-over by life insurance offices, but other top grade issues were also strong.

Wood, Struthers & Co. had 25,000 shares of Hartford Fire to offer, presumably a further disinvestment of insurance company holdings by Connecticut insurers. The last of this was sold at 67½ and Hartford Fire then moved right up to 70½ bid Monday.

Continental Casualty was a strong point, reaching 103½ bid Monday. This is 10 points higher than after it went ex 25% stock dividend.

Lincoln National Life, at 122, was up 9 points in a week.

Government Employees Life at 127, was 10 points lower for the week, but Government Employees Ins. Co. was up 9. Kansas City Life reached a new recovery high since 1955 of 1820 bid, up 70 points for the week.

Mass. Indemnity, at 56, was up 5½, American General was plus 2½, Fireman's Fund, 3; Glens Falls, 1½; Great American 2½; National Old Line, 2½; National Union, 2; Boston, 1½; Providence Washington, 1; United Insurance, 2; Bankers National Life, 3½; Hartford Steam Boiler, 3; Liberty National Life, 2; National Life & Accident, 3; Quaker City Life, 1½; Southwestern Life, 3½.

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Some of the fire companies, in view of the dim prospects for underwriting profit this year, have been adjusting bond portfolios to capture more income. For instance, close-in maturities of tax-exempts were replaced by Treasury bonds.

Combined Insurance kept on going up and at 76, was 3 points higher for the week.

A big question now is whether the mutual life companies will want to flirt with one-stop selling and will be in the market to acquire fire-casualty stocks. New York life companies are blocked from this by present laws. Massachusetts life companies may not directly or indirectly own fire-casualty stocks.

It's a fair guess that if the stock life and fire-casualty operations in unison gain momentum and set a style, the mutual life people will not stand by. Of course, they can't swap stock and the cash outlay for a good sized fire-casualty company is a sizable consideration for even the biggest life companies.

The general opinion is that we are going to see some action.

## Blackford Assured Of Job Another Year Even Though Senate Balks At OK Again

LANSING—Final adjournment of the Michigan legislature virtually assured continuance in office for at least another year of Commissioner Blackford. The senate again failed to confirm his latest appointment but did not specifically reject him, hence allowing him to continue as chief executive of the Michigan department.

Gov. Swainson, somewhat unexpectedly, reappointed Mr. Blackford after he took office in January. The commissioner had been named by former Gov. Williams to fill out two years of the term of Joseph A. Navarre, Jackson attorney, who resigned. Both governors are Democrats and the Republican-dominated senate consistently withheld confirmation although many other nominees to various offices were approved.

## Stock Sale Filed With SEC By Mineola, N.Y., Insurer

North Atlantic Life of America, Mineola, N. Y., has filed a statement with the Securities & Exchange Commission seeking registration of 3,000 shares of common stock, of which 1,386 shares will be offered for public sale at \$350 per share through company directors.

SEC said, "No commissions or remunerations, except expenses of \$13,500, will be paid. The remaining 1,614 shares have been subscribed for at \$350 per share by company directors, for which \$112,980 of the total amount of \$564,900 has been paid in."

The company was organized in January and proposes to sell life and health insurance and annuities when licensed in New York.

## SEC Hears Pru's Side Of Variable Annuity Exemption Proposal

WASHINGTON—The Securities & Exchange Commission this week heard Prudential witnesses on the company's proposal for issuing variable annuities and the extent to which it should be exempt from provisions of the investment company act of 1940.

After a week's recess, it is understood that hearings will resume with cross-examination of Prudential witnesses and testimony by opponents of the company's exemption requests.

## Fraternal Grants To College

A \$10,000 grant has been made to Augsburg College of Minneapolis by Lutheran Brotherhood for use in the college's development program. The grant is part of Lutheran Brotherhood's \$650,000 fraternal activity and benevolence program this year.

## Fuerth, Not Herwehe, With Pru

A misplaced linotype slug in an appointment item in the June 10 issue made it appear that Donald H. Herwehe had been promoted by Prudential from assistant general counsel to associate general solicitor. The man who was promoted is Donald S. Fuerth. Donald H. Herwehe's appointment as claims director of Franklin Life was reported in an adjoining column and the slug containing his name, intended for insertion to correct a typographical error, was inadvertently inserted in the Fuerth item.

United American Life of Denver wrote \$11 million in May, breaking the president's month record. The previous high month last year had sales of \$8.4 million.



Amelia E. Reichert, assistant vice-president of New York Life, left, and Dorothy B. Howell, a New York Life agent at New York, are shown following their elections to the presidency of chapters of the League of Business & Professional Women in New York City. Mrs. Reichert was elected to her second term as president of New York League of Business & Professional Women and Mrs. Howell was voted into her first term as president of the Wall Street Club. The groups are two of the 10 chapters in the Bronx and Manhattan district of the National Federation of Business & Professional Women's Clubs.



GEORGE L. SANDERS

In his first full year with Franklin, George Sanders earned \$8,539.20. Here is the record of his earnings since then, as reported to the Internal Revenue Department.

1957 . . . . .	\$ 8,539.20
1958 . . . . .	13,724.86
1959 . . . . .	19,551.86
1960 . . . . .	21,022.91

GENERAL AGENCY  
OPPORTUNITIES  
IN  
WESTERN  
PENNSYLVANIA

Tampa, Florida  
May 26, 1961

Mr. Francis J. O'Brien, Vice President  
Director of Sales Promotion  
Franklin Life Insurance Company  
Springfield, Illinois

Dear O'B:

It was indeed a red-letter day for me when I signed my Franklin contract, and I have enjoyed the additional benefits I have received by making such an abrupt change in my life.

As you know, I was very active in my general insurance agency, which produced annually over \$225,000 in fire and casualty premiums. My net take-home income was nil compared to the detail work and headaches involved. Beside this, there was always a large accounts receivable balance that had to be reckoned with day in and day out, plus misunderstandings of policy coverage and terminology. With the cut rate and direct-writing companies entering the field, I felt it was time to make a change.

Since being with Franklin I have much more time for my family and my hobbies, with a greatly reduced office personnel, no accounts receivable, no misunderstandings, very little detail work, and a handsome increase in my net take-home income.

Within the last three years I have accomplished many feats I thought were impossible, such as becoming a member of the Sixty Club, the Key Club, the Million Dollar Conference, and being on the President's Club more than ten times in the last three years. This was only made possible by the dynamic Franklin leadership and the Franklin Specials.

Sincerely yours,

George L. Sanders  
Regional Sales Director

*An agent cannot long travel at a faster gait than the company he represents*



*The Friendly*  
**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans.

Over Four Billion Dollars of Insurance in Force

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